



BARTON-ASCHMAN ASSOCIATES, INC.

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June 27, 1978

Mr. Donald L. Spaid.
Director
Community Development Agency
City of St. Louis
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Dear Mr. Spaid:

Here is the final report on the St. Louis Housing Strategy which we have prepared for you. This report contains a number of recommendations for policies and program action which we believe must be carried out if St. Louis is to make any significant progress in meeting its housing needs.

Obviously, this report cannot be implemented in its present form. Rather, it will need to be translated into a series of decisions regarding policies, programs, staffing, organization, and budgeting. Thus, if there is a general agreement about the directions recommended in the report, we would suggest that it be used, along with the economic development strategy, as the basis for the following:

1. *The Development and Issuance of a Policy and Program Statement by the Mayor.* This statement should indicate the broad directions in which housing and economic development programs should move in St. Louis and should give basic direction to the CDA and other city agencies. It should also set up any study commissions required to implement key but complex proposals.
2. *The Development of Portions of the "Year Five" Community Development Block Grant Budget and Application.* Many planning, training, research, and other activities which should be initiated by the CDA and which need funding are identified in the report. The report also identifies a number of actions which might be supported with CDBG funds and which should be initiated by neighborhood or other groups in the city. Appropriate groups should initiate discussions with the CDA to identify areas in which they might prepare applications for funding.

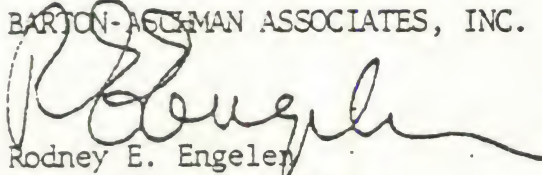
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3. *The Reorganization and Strengthening of Staff Resources.* The directions set in the housing and economic development strategy should be reflected in the hiring and organization of CDA staff and in the allocation of staff responsibilities.
4. *Adjustment of CDA Work Program.* Tasks and targets for the work of the CDA should reflect both housing and economic development objectives and implementation needs. Moreover, certain budgeting and programming activities being carried out by the agency should be adjusted to reflect concepts described here.

The improvement of housing and neighborhoods in St. Louis is both a tremendous challenge and opportunity. Extensive interviews in the city indicate that one of the key problems in dealing with housing is the inertia which exists in existing programs and institutions and the corresponding need to stimulate action by many people on a broad front. We hope that the recommendations made in this report will be helpful in setting directions and in initiating actions which will quickly release a wide range of improvement energies in the city. We wish you every possible success in the implementation of this program.

Sincerely yours,

BARTON-ASCHMAN ASSOCIATES, INC.



Rodney E. Engelen
Senior Vice President

REE/gw

Attachment

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**Report on the
ST. LOUIS HOUSING STRATEGY**

**Prepared for
ST. LOUIS COMMUNITY DEVELOPMENT AGENCY**

**By Barton-Aschman Associates, Inc.
Evanston, Illinois**

May, 1978

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PREFACE

Dozens of excellent studies in St. Louis demonstrate that the housing needs of the city are exceedingly complex. What should be obvious now is that there are no simple answers.

Yet, there is a tremendous opportunity and need, and there are strong forces ready to work for the revitalization of the city and its neighborhoods. Expenditure levels on housing in St. Louis could and should be increased by at least 10 and perhaps 20 times, to well over \$100 million each year. Virtually a whole economic revival could be organized around the construction and rehabilitation of housing in the city. Results could include dozens of new and revitalized neighborhoods, unique in their attractiveness *because* of their location in the city, their historic character and availability of jobs and urban services. Numerous projects which have been started in the city are already showing how this can be done.

What is basically required is that "St. Louis must work better." Tenants and property owners must be more effective in operating and maintaining housing. Neighborhoods must be more effective in developing a consensus about goals and helping to implement local improvement and service activities. The city must work more efficiently and effectively in obtaining and distributing resources and in supporting private and neighborhood initiative.

The assets and resources required to support the revitalization of housing in St. Louis exist. They exist in the city's citizens, who want badly to preserve their housing and their neighborhoods. They exist in the region's economy, which invests hundreds of millions of dollars in housing each year. They exist in basic population and economic trends, which now favor revitalization of the city. They exist in emerging national policy, which will almost surely support promising and successful local revitalization efforts, wherever these can be found.

Now it is necessary to build the skills, the knowledge, the lines of communication, and most importantly, the leadership that will bring these forces together in St. Louis. This will require team work and strong direction by the major and aldermen. It will require the strengthening, reorganization, and redirection of city staff. It will require the development of new and better working relationships between the city, residents, developers, and neighborhood groups.

In short, the key need now is to build capacity, an ongoing capability, to make decisions and to carry out those decisions efficiently, a capability that will stimulate and release the energies of thousands of individuals, developers, contractors, and investors.

This capability is essential in order to attract the substantial new investment required—whether public or private. To build it, many actions will be needed. Many of these are described here. Hopefully, enough of these actions can be implemented to provide the environment in which needed and potential revitalization can occur.

SUMMARY

Many older American central cities are beginning to show evidence of improvement. Urban decay and the decline of city neighborhoods, so prominent and publicized during the past two decades, have apparently bottomed-out, and many signs herald the rejuvenation of established urban areas.

This rejuvenation is partially the result of the weakening or exhaustion of several of the major forces which have helped generate urban decline and the development of new forces which tend to favor central cities. The effects of these changes are not yet fully perceived, but they are strong and persistent, and they will almost certainly have profound and lasting impacts on urban areas. They include such major forces as a reversal of regional migrations from south to north and from rural areas to cities; a tremendous increase in the size of the 24 to 44 age group; substantial increases in the proportion of women working and in households occupied by only one or two persons; and increasing interest in the arts, history, crafts, continuing education, and culture. They also include increasing concern for the preservation of rural areas around cities and a growing shortage of public resources with which to open new lands to development.

These cultural and economic changes are now being followed and reinforced by public policies that will almost certainly provide a tremendous impetus to investment and development within cities. Federal and state investments increasingly will be focused in the older parts of metropolitan areas. A variety of tax and other incentives are being considered to encourage and support private development and rehabilitation activities within these areas. Ways of resolving the serious problems of unemployment and economic decline which are concentrated within central cities are being devised. Basic cultural and economic forces favoring cities like St. Louis have emerged. National and state policies and programs which respond to and which can help implement these forces will soon be moving into place.

St. Louis is already benefiting from emerging trends and policies. In some instances, neighborhoods thought to be unsalvageable 10 years ago are undergoing revitalization. Soulard, LaFayette Square, the Central West End, Hyde Park, Jeff-Vander-Lou, and Murphy-Blair are but a few of the city's many neighborhoods which have recently exhibited improvement. There are signs that these improvements will continue.

Basic Need

The scale of the opportunity and the required response is tremendous. Conservatively, there is a need to accelerate spending to at least \$100 million annually on the rehabilitation and new construction of housing in St. Louis. This is fully 13 times the rate of expenditure experienced in 1976, and at least five or six times the rate of the early 1970s, when major quantities of subsidized housing were built in the city. Ideally, investment levels would be even higher. With emerging national policies and trends, there is a chance that expenditures in St. Louis could increase dramatically, hopefully to and beyond the levels indicated.

What St. Louis must now do is to prepare itself to respond to and to take advantage of the forces and programs which are emerging. It must develop an ability to plan and carry out housing and neighborhood revitalization on a massively increased scale. This ability must be generated within neighborhoods, local financial institutions, the building industry, and in city agencies. St. Louis must develop a strong readiness to act if it is to take full advantage of the opportunities for revitalization that are rapidly coming into view.

One part of this readiness is a strategy—an approach—for dealing with existing needs and emerging opportunities. A recommended approach is provided here. In its simplest terms, it consists of four major parts. These call for the city to work on both the resolution of *important current concerns* and the *building of capacity* to accelerate rebuilding and revitalization efforts. They also call for a *balanced response* to local *neighborhood needs* and to problems of *city-wide concern*. It is essential that a balance be struck between short- and long-term concerns and local and city-wide needs. No program can be successful in St. Louis unless this balance is achieved.

Goals and Objectives

In preparing the 1978 Community Development Block Grant housing program, the Community Development Agency and the St. Louis Housing Task Force considered and endorsed a series of goals and objectives for housing improvement. Those goals and objectives are as applicable to the long-term housing strategy as they were in the Year Four housing program. They have been used as a basis for the development and evaluation of the actions and programs recommended here. These goals are:

Goal Area A

Conserve existing resources—physical, human and fiscal—to the fullest extent possible.

Objectives

1. *Reinvestment.* Obtain levels of investment in maintenance, rehabilitation, and rebuilding that will, at minimum, prevent any further decline in the ability of existing housing and neighborhoods to meet the needs of St. Louis residents.

2. *Salvage Values.* Minimize any abandonment of property which will contribute to its decline and/or to the decline of other property or to a significant reduction in the housing supply, and protect any salvageable or usable property—occupied or abandoned—from deterioration which prevents its use or reuse, and rehabilitation.
3. *Disadvantaged.* Assure the availability of suitable housing at an affordable cost for persons who are disadvantaged by reason of low income, age, disability, family size, or dislocation, or pressures stemming from public action or dramatic neighborhood change.
4. *Restricting or Blighting Conditions.* Abate, remove, and/or avoid conditions and requirements which needlessly increase costs, strain technical and administrative resources, inhibit initiative in the maintenance and improvement of housing and neighborhoods, or detract from property values and the quality of neighborhood life.
5. *Private Action.* Increase the effectiveness of available resources through the continued encouragement and support of private individual and group initiative and commitment, particularly of those who have already demonstrated commitment and effectiveness in the improvement of housing and neighborhoods. Maintain a continuity of public policy and support which will generate confidence and continued private effort and investment. Make such effort and investment a precondition to the commitment of any major public resource. Increase the number and effectiveness of the individuals and organizations involved in the maintenance and improvement of housing and neighborhoods, with special emphasis on areas in which the treatment of further abandonment and neglect is strongest.

Goal Area B

Maintain and strengthen the effectiveness and viability of the city—socially, economically, fiscally, and environmentally.

Objectives

1. *Increased Quantity and Variety.* Increase the quantity and variety of housing in the city; create conditions which will attract new investment in housing.
2. *Support Economy.* Make improvements to housing and to neighborhoods which support and which can benefit from the basic and emerging economic functions of the city.
3. *Overcome Obsolescence.* Eliminate or reduce obsolescence and find ways to make effective use of buildings or areas that have become obsolete.

4. *Capitalize on Assets.* Take advantage of and facilitate market forces and assets and past investments which can help the city achieve other important objectives.

Initial efforts have been made to identify measures and criteria by which achievement of these goals can be determined. They are, for example, one of the basis for the development of criteria for evaluation of neighborhood needs and project proposals. Because these goals are a fundamental point of departure for so many parts of the housing strategy, it is strongly recommended that they receive formal adoption.

Four Strategy Areas

Four major strategy areas are proposed. These include:

- Develop local initiative and capability.
- Develop a strong budgeting and evaluation capability.
- Refine and strengthen techniques and tools.
- Address key city-wide needs.

These strategy areas are summarized below.

Local Initiative and Capability

First, every residential area in the city should be encouraged to develop and be assisted in developing and implementing a comprehensive conservation and/or improvement program. Such programs should be developed only at the initiative and with the active support and involvement of neighborhood and district groups. Individually, these programs should be used to guide the work of the city within neighborhoods. Collectively, these neighborhood-based programs should provide a major basis for the city's overall budget and program of housing and neighborhood revitalization.

Every district and neighborhood is in need of some form of maintenance or improvement. A comprehensive approach is required to attract private investment and to justify any substantial public investment. Although all districts could benefit from improvement, not all are in equal need nor do all require the same types of stimulation and support. Many can probably attract investment and can grow in strength with little more than the continuation of normal city services coupled with private local initiative. Others may require considerable city effort, both in planning assistance and in the implementation of improvement projects.

However, regardless of the level and type of need, local initiative and involvement are critical to the success of any improvement effort. Thus, a key strategy for St. Louis must be to support and greatly strengthen the residential areas and neighborhoods of the city in their ability to help plan and carry out comprehensive improvement programs.

To implement this strategy, the decentralization and fragmented structure for the initiation of improvement which has been emerging in St. Louis—including neighborhood organizations, 353 corporations, numerous city agencies, and others—should be carefully examined to determine how it can be simplified, rationalized, and made more effective. Capabilities must be strengthened at all levels, but especially within the neighborhoods and in the private sector. The chief initial contribution of neighborhood groups should be in the *planning* of revitalization efforts. However, as they gain in strength and effectiveness, it should be expected that they may take on additional functions in monitoring or helping to provide certain maintenance and/or social, management, security, or other neighborhood services. Through the creation of development corporations and/or partnerships with experienced developers they may also be able to stimulate and support rehabilitation and development.

Improvements in this area will require action on several fronts. The CDA and other organizations must develop and carry out dramatically expanded programs of technical assistance, education, and planning. The mayor and the Board of Aldermen will need to define roles and responsibilities and overall goals and objectives which can be used to allocate resources and to establish relationships between agencies and between the city and its districts and neighborhoods. Neighborhood and private groups will need to respond and take initiative both in helping to develop the system and to create councils, corporations, and other planning and implementing capabilities at the local level.

Probably the most important action will be the dedication of a major portion of the resources available for community development to the support of comprehensive neighborhood improvement programs developed through neighborhood initiative. This dedication was initiated in the allocation of the 1978 CDBG funds. The promise of the availability of such resources should be a substantial encouragement to districts and neighborhoods to become organized, to plan, and to initiate improvement activities. Initially, this dedication should be from Community Development Block Grant (CDBG) funds. However, ways should be sought to continue support of such programs from other sources and from new or extended federal programs.

Systematic Budgeting and Evaluation

Second, a systematic method of budgeting—of identifying, evaluating, and selecting areas and projects for funding—should be developed and implemented. This method should be based on city-wide goals and objectives but should be capable of responding to the needs and capabilities of individual neighborhoods and sponsors. It should use and reinforce the system of neighborhood initiative described previously, and the program of tools and techniques described below. Although this system should be developed and applied to help allocate funds from

the CDBG program, it should be considered as a way to budget a wider range of resources. Preliminary recommendations for this system are provided here. However, methods should evolve and change through experience and use in St. Louis. The CDA, with direction and approval from the mayor, the Board of Aldermen, and the Citizens Task Force, should make a major effort to develop, refine, and apply this system.

Broad criteria for evaluation should include an assessment of the *need* of the applicant or area involved, the *ability* of the proponent to effectively implement the project proposed, and the relative importance of the project in relation to *city-wide needs*. So far as possible, objective measures for evaluating projects should be devised and used to weigh the potentials for success and the relative cost-effectiveness of proposed actions. Ways should be devised to evaluate the ultimate impacts of projects or programs in stimulating and leveraging ongoing private initiative and investment toward the achievement of housing improvement goals. In addition, more effective ways should be developed to monitor and evaluate projects and activities which are under way.

A special staff unit should be established to develop and conduct budgeting, evaluation, and monitoring activities. This unit should receive assistance and oversight from both advisory and decision-making groups. Such groups should be involved both in budgeting for projects and in the review of project progress and results. Budgeting and evaluation activities should be formalized and subjected to overall public review through the issuance of reports and information on recommendations and findings.

Refined, Improved Tools and Techniques

Third, major work should be done to refine, clarify, and strengthen the techniques and tools available for housing and neighborhood revitalization. Considerable innovation and refinement have taken place with regard to the tools available for maintaining and improving housing and neighborhoods, especially during the past year. The number of programs available has grown to such an extent that there is much confusion about what can be done and how assistance can be obtained. Still, there is a need to expand further.

It is suggested that a "family" of eight basic techniques or tools be developed, continuously refined, and carefully described to provide an improved basis for communication and for the definition of procedures, eligibility, and other mechanics of use. Most of these techniques are already in use in St. Louis to some degree. However, some are in need of major expansion or improvement. These techniques, with a summary of needed changes or actions, are listed below.

1. *Public Regulation, Policy, and Control*

- a. Expand the present review and revision of the zoning ordinance to include other codes (especially the building code), with special emphasis on the removal of disincentives to rehabilitation and neighborhood improvement.

- b. Develop more effective ways to coordinate code enforcement schedules and practices with neighborhood improvement and job training programs.
- c. Develop ways to increase the effectiveness of code enforcement and building and sanitation services through delegation of some functions to local groups and through the development of a "corps" of assistant inspectors.

2. Public Facilities Improvement

- a. Develop a policy which gives preference to investments which are part of a comprehensive neighborhood improvement program. Wherever possible, use investments to leverage private improvements in housing, commercial and/or other facilities.
- b. Develop a backlog of plans for projects and programs for each neighborhood which can be implemented in connection with skill training and public employment programs.
- c. Explore ways of meeting public and institutional facility needs through the reclamation and rehabilitation of existing buildings wherever possible. Use public investments to stimulate and demonstrate how rehabilitation can be achieved and to develop rehabilitation skills.
- d. Develop a policy which calls for the coordination and joint development and operation of public facilities wherever possible. Develop ways of providing public facilities jointly with private development when this would be advantageous.

3. Technical Assistance

- a. Plan and implement a major, expanded program of technical assistance to neighborhood groups and individuals to help them develop the organizational, marketing, management and other skills required to plan, promote, and operate various aspects of neighborhood and housing betterment. This program should contain major counseling and training elements.
- b. Encourage and support businesses, industries, and institutions to develop and offer technical assistance in housing and neighborhood revitalization.
- c. Help prepare neighborhood and other plans necessary to make effective use of CETA, SLATE, and other labor and monetary resources which may be made available.
- d. Develop plans which can be used to help tap new or little-used funding sources, such as the Land and Water Conservation Fund.
- e. Develop ways to encourage and permit community groups to do as much as possible through self-help in the provision, operation, and maintenance of public facilities and services.

4. *Social Services*

- a. Make sure that social services are available to complement other techniques such as public housing, financial assistance, etc. where this would be beneficial.
- b. Emphasize social service programs which have objectives of self-elimination. For example, job assistance and training programs should result in full-time unsubsidized employment.
- c. Develop a neighborhood maintenance or rehabilitation work force to assist in local revitalization efforts, neighborhood conservation, and to reduce unemployment. Coordinate the operations of this work force with economic development programs.
- d. Prepare an emergency housing assistance and relocation plan.
- e. Develop ways to permit and encourage community groups to do as much as possible through self-help in the provision of social services. For example, develop ways to increase public safety and security through closer involvement of district and neighborhood groups through patrol, reporting and monitoring activities, and in other aspects of local law enforcement.

5. *Property Acquisition/Maintenance/Disposition*

- a. Develop improved procedures for acquiring, maintaining, and disposing of tax delinquent and other abandoned and abused property to permit more rapid action where this will help salvage values and/or stimulate and support local revitalization efforts.
- b. Create a mechanism to coordinate land acquisition, maintenance, and disposition activities and clarify responsibilities for action and to make it easier for individuals and neighborhood groups to obtain information about these activities.
- c. Develop ways to encourage and permit local groups to help facilitate the acquisition, maintenance and/or disposition, and effective reuse of neglected or abandoned property.
- d. Devise and implement more effective ways of returning property to private ownership and use through adoption and use of homesteading, sweat equity, and other concepts.

6. *Financial Assistance*

- a. Build capacity to implement present programs, proceed with implementation and monitor closely to improve techniques. Explore ways to merge and simplify programs to reduce complexity in their implementation and management.

- b. Refine and expand techniques to help achieve such additional objectives as:
 - Equity development.
 - Rental property stabilization.
 - Building/strengthening of local financial institutions; e.g., credit unions, community banks, "housing services partnerships," etc.
- c. Explore desirability of creating a central office or "bank" for the coordination, administration, and further development of financial assistance programs in St. Louis to develop and maintain high levels of competence and accountability and to support and interface more effectively with private financial institutions.

7. Public Provision of Housing

- a. Promote the use of Section 8 public housing across the city and region.
- b. Prevent the over-concentration of publicly-assisted housing.
- c. Develop and implement a maintenance and improvement plan for existing public housing.
- d. Provide incentives for building owners and developers to incorporate Section 8 public housing in their residential buildings.
- e. Coordinate the provision of social services with the provision of publicly-assisted housing.
- f. Identify quantity and types of housing needed for special population groups: the elderly, handicapped, displaced persons, etc. Develop a program to meet these needs.

8. Program Packaging/Financing

- a. Require the preparation of and assist in developing comprehensive plans and programs for districts and neighborhoods.
- b. Assist in the establishment of development corporations to aid in the revitalization of neighborhoods.
- c. Adopt policies requiring public improvements, zoning, and other public actions to be undertaken only or primarily in response to comprehensive improvement plans.
- d. Coordinate housing and economic development projects and efforts to the fullest extent possible.

- e. Explore potentials for use of tax increment financing to fund public actions.
- f. Develop ways to provide dependable local financing for district and neighborhood planning and improvement activities.

Meeting City-wide Needs

Fourth, a major portion of St. Louis' efforts to improve housing must be used to help meet critical city-wide economic, social, and environmental objectives. Although many needs must be determined at the neighborhood level, there are many that extend beyond the individual neighborhood and that affect the entire city. One of these is the need to retain and attract jobs and economic development. Another is to assure adequate housing for all elements of the population. The city must take the initiative to assure that these and other city-wide needs are being met in several ways. For example:

1. *Existing Projects.* Substantial efforts in the past to improve housing in and around major centers of employment (such as hospitals and the central business district) should be continued and expanded. Existing 353 projects should be reviewed, to identify ways in which they might be accelerated and to assure the availability of funding and other resources needed for their implementation. A special staff unit should be created to monitor and expedite these projects, and where necessary, new sources of funds should be found to support and speed project development. Where useful, technical assistance and information and coordination activities should be undertaken to facilitate and improve project operations.
2. *Major New North Side Project.* A major project should be initiated on the near north side to stimulate the development of substantial new industry and commerce and neighborhood revitalization, as part of the city's major economic development effort. This project should create major areas for new industrial and commercial development, support and extend sound existing housing, help find new uses for vacant industrial property, and find constructive ways to meet transportation needs. The overall opportunity in this area is one of the most dramatic of any in any city in the country. Although it may take a number of years to fully realize, once agreement on a plan is reached, it should be possible to move quickly to implement important and beneficial segments. The impact on nearby neighborhoods should be especially positive.

Because of the large size and multipurpose character of this project, the city should take the initiative in obtaining funds and in planning. However, a wide range of interests, including especially closely affected neighborhood groups, should be involved. Except for initial planning costs, special funding should be obtained to minimize the drain on CDBG funds needed to support neighborhood-initiated proposals. The multiple-economic objectives to be achieved in this near-north area should justify the allocation of major resources for planning from highway, transit, economic development, "new town," open space, and other programs. A special staff unit should be created to assure an adequate concentration of effort and to provide the coordination and direction required.

3. *Special Housing Needs.* Major new emphasis should be given to the meeting of special housing needs through use of the Section 8 and other subsidy programs as well as the modernization and rehabilitation of existing public housing. Subsidies and other assistance should be targeted to meet the most critical needs of the elderly, the handicapped, families with children, and persons in emergency housing situations. They should also be used to stimulate rehabilitation of existing structures wherever possible, and should reinforce comprehensive programs for the improvement of neighborhoods.

Studies should be completed to develop detailed programs for implementation in this area. Existing staff and other resources should be reviewed and, if necessary, augmented and reorganized to carry out the programs required. Consideration should be given to ways of developing a new image of publicly-assisted housing and, where possible, of placing management and maintenance activities in the hands of private and/or local groups.

Immediate Action Steps

Ten major areas of action have been identified as critical next steps in the implementation of the housing strategy described herein. The actions required can be taken—or at least initiated—by the city with the direction of the mayor and the concurrence and cooperation of the Board of Aldermen. However, in many instances others in the city will need to play important roles in planning and implementation. The key areas of action are:

1. *Strengthen and Expand the City's Technical Assistance Program.* Some form of technical assistance is required to implement almost every element of the housing program. Thus, it should be one of the first areas to receive attention. The city's ability to provide technical assistance should be greatly expanded and the range of services should be enlarged.

Specific steps should be taken to design a broadened program of technical assistance and to assure that the staff and other resources required are available to implement it. These steps should include creating a special staff unit to provide leadership and coordination to all technical assistance activities as well as major areas within the technical assistance program.

Three major areas are involved. These include:

- *Planning.* If neighborhood revitalization is to occur on a scale large enough to be effective, the current planning capabilities of the city will need to be greatly expanded. It is likely that a number of neighborhoods will be seeking assistance and that this will strain available staff resources. It is also possible that new or different skills and techniques will be required and that some systems for working in neighborhoods will need to be developed. An analysis should be made of the amount and type of work likely to be forthcoming

and specific steps should be taken to meet projected needs. These may involve hiring additional staff, developing techniques for obtaining services under contract, or retraining people to work in neighborhood planning. It may also involve developing new techniques to deal more effectively or more efficiently with the work anticipated.

- *Education/Training.* Dozens, perhaps hundreds, of people need to be provided with information and skills that will enable them to work more effectively in the rehabilitation of housing and neighborhoods. Requirements range from having the ability to analyze the need for financial assistance, to the developing an ability to fill out appropriate applications for information, to learning how to maintain and manage rental property.

Educational and training needs should be identified and programs should be developed for meeting those needs which justify some public response. Some educational and training activities may be undertaken directly by the city. However, it is likely that many more should be handled by educational and other qualified training organizations. Thus, the city program for meeting these needs should provide for the purchase of services as well as direct staff work.

- *Information/Counseling/Marketing.* A less formal but equally urgent need is that of providing information and assistance related to problems that need current resolution and accurate answers. Answers to questions such as "How to apply for financing?", "What do the codes require?", "How to organize and run a neighborhood group?", and "How to obtain a city service?" should be available quickly, easily, and at nominal (if any) cost.

Information and counseling needs should be identified and a program for meeting these needs should be developed. Potentials for providing assistance in neighborhood marketing should also be identified and existing resources should be organized and supplemented, as necessary, to meet indicated needs.

2. *Greatly Expand Rehabilitation Loan Programs.* The federal 312 loan program offers one of the best tools available to encourage and help property owners undertake rehabilitation. (It provides loans of up to \$28,000 at interest rates as low as three percent to moderate- and middle-income homeowners.) Although loans are obtained directly from the federal government, the city can greatly expedite the availability and use of this program by providing assistance in making loan applications and in various other ways. Vigorous pursuit of this program could greatly increase the amount of money being spent on rehabilitation in St. Louis. However, the uncertainty of federal funding creates problems of continuity in rehabilitation programs which need to be overcome through both stronger federal commitments as well as the development of comparable city and state programs. An effort should be made to devise a permanent, well-funded rehabilitation loan program which can take fullest advantage of federal assistance but which can proceed with certainty on the basis of locally controlled resources.

Some specific initial steps that can be taken by the city include:

- Providing technical assistance to neighborhood groups, eventually enabling such groups to complete and process 312 loan applications.
 - Publicize the availability of 312 loans and provide any assistance and counseling necessary to individuals and neighborhoods, to secure loan monies.
 - Expand the scope of the 312 program by permitting loans to be issued in any part of the city, subject to income limitations.
 - Combine 312 assistance with other housing programs to maximize benefits and provide additional incentives for involvement.
 - Attempt to secure additional Section 312 loan commitments from HUD and, once received, increase annual 312 production targets (400 units/1978).
3. *Greatly Expand the Use of the Section 8 Low-income Housing Program.* The Section 8 program provides one of the most flexible and attractive ways of helping to meet the housing needs of low-income families. It is being used by both the city and St. Louis County with good results. However, there is a need and an opportunity to greatly increase the provision of housing available for subsidized occupancy under the Section 8 program. St. Louis should take steps to assure that it will obtain and effectively use as many units as possible under this program. Some of the specific actions that may be appropriate are:
- Making use of the "targeted tandem" program to assure financing for Section 8 new and substantially rehabilitated units, and to leverage private capital for the production of middle-income, non-subsidized rental housing.
 - Using the Section 8 "set aside" allocation, in neighborhood strategy areas, to produce units for low-income large families.
 - Using *other funding programs* in conjunction with Section 8 to offer other inducements and assistance to developers and owners.
 - Providing technical assistance to *neighborhood development corporations* so that they may become developers/managers of Section 8 units.
 - Promoting the use of Section 8 units in Chapter 353 developments. Perhaps, 353 legislation might be redrafted to afford 353 developers additional incentives for incorporating Section 8 units into their developments.
 - Limiting the *over-concentration* of low-income units by being selective in the allocation of Section 8 units to areas in which there is a reasonable balance in population and housing types.
4. *Study the Creation of a Housing and Development Finance Agency or Public Development "Bank."* The variety and depth of financial assistance programs

related to housing is constantly growing and changing. With expansion in the number of programs, and changing criteria for use, housing finance is becoming increasingly complex. The creation of an office of housing finance or city housing finance agency could provide a central source of finance service and assistance to residents, developers, and building owners. There are many existing and several proposed programs which could be consolidated into the finance agency. The Housing Authority finance agency might be merged into the umbrella organization. As a single source for housing financial advice, residents and developers could "one-stop shop" for new, redevelopment, or rehabilitation assistance. Also, as a single agency with one primary mission—to expedite and facilitate housing and development finance in St. Louis—employees of the agency would be more adept at matching available assistance to applicants' specific needs.

To implement this recommendation, the following actions should be pursued:

- The Community Development Agency should complete a study of the location, function, budget, staff, and capabilities of municipal agencies involved in housing finance.
- The mayor should form a committee to consider the feasibility, techniques, and benefits of creating a housing finance agency and to recommend action in this area.

5. *Create a Neighborhood Maintenance Corps.* The creation of a Neighborhood Maintenance Corps (sometimes referred to herein as a rehabilitation work force) could concurrently improve neighborhoods and strengthen the city's economy. The concept of putting unemployed people to work (with training) maintaining and repairing public facilities, homes, businesses, and industries is consistent with two pressing needs in St. Louis: the need to develop a "rehabilitation industry" of substantial ability and proportions, and the need to reduce unemployment and abate the flight of jobs from the city. Details of the functions and role of the Neighborhood Maintenance Corps are being developed as part of the economic development strategy; to pursue this recommendation, these actions are necessary:

- The concept of creating the NMC needs to be thoroughly explored. A mayoral committee needs to be convened to identify the alternatives available for establishing the work force.
- Unions, neighborhoods, developers, and redevelopers need to be surveyed regarding the formation of the NMC, and each group's role relative to the NMC must be clearly defined.
- Methods of funding the NMC need to be explored; CETA and economic development programs must be incorporated with the NMC work program.

-- Criteria and methods of recruiting, training, and deploying the work force must be established.

-- To develop a "market" for the NMC, the city and neighborhoods will need to undertake a substantial planning of projects and programs on which the NMC could be employed.

(More specific steps to be taken in establishing and organizing the NMC will be included as part of the Economic Development Strategy being developed by Hammer, Siler, George Associates.)

6. *Accelerate Planning in Areas of City-wide Concern.* Planning must be advanced in several areas if key elements of the housing strategy are to be achieved. These include planning in neighborhoods through the provision of technical assistance (see Item 1, previously). However, they also include a number of areas of critical city-wide concern. Several of these are importantly related to the city's economic development needs. A series of planning studies or projects should be undertaken to develop the information and decisions required to assure that both housing and city-wide objectives related to economic development are being met. These studies should provide the basis for city plans and budgets that are most cost-effective in stimulating and supporting many millions of dollars of new federal, state, and private investment.

Some of the specific projects which should be undertaken include:

-- *Refinement and Coordination of Plans for Existing 353 and Related Project Areas.* As pointed out elsewhere in this strategy report, there is a need to assure that existing 353 projects move as quickly as possible and that they are executed in ways which are supportive of both housing and economic development objectives. To meet this need, the city should have available comprehensive and current plans for the areas involved that clearly indicate the type and timing of any public participation required so that necessary public assistance can be scheduled and budgeted, and justification can be developed for any special funding that may be needed.

Studies of existing 353 project areas should review needs for public facilities and other public investments, coordinate and adjust plans for streets and other public facilities as necessary to support the projects and still meet city needs, and confirm the amounts and types of housing and economic developments to be provided.

-- *Survey and Designate Historic Areas.* The currently scheduled survey of historic areas and buildings should be completed, and if necessary, extended to assure that it provides a sound basis for the designation of historic districts and buildings, and that it fully identifies opportunities to capture historic and architectural values. Such values have been pointed to as one of St. Louis's chief assets. Thus, the study should be evaluated, and if necessary, redesigned to assure that it adequately documents and analyzes potentials for preservation.

- *Evaluate and Plan Business Centers.* The health of the outlying business centers of the city is important both to the city's economy and to its housing quality. The studies which have been initiated concerning these centers should be expanded to deal with the relationships between these centers and nearby housing. Ways should be sought to reduce conflicts between commercial and residential uses, to assure adequate space for commercial activity, and to provide housing which takes advantage of and helps support commercial functions.
- *Measure and Analyze Special Housing Needs.* Many of St. Louis' housing needs are so great that there is little to be gained from trying to measure them with precision. However, it would be useful to know more about the general magnitude, location, and character of several special housing needs. Thus, studies should be undertaken to collect and analyze information about needs in several ways. These include:
 - Housing for the elderly and handicapped (expanding on the recent work of the East-West Gateway Committee).
 - Relocation and emergency housing requirements.
 - Housing for large families.

This study should provide information that would be useful in allocating resources, setting priorities, and in establishing locations for projects that would meet these special needs.

- *Determine the Most Cost-Effective Housing Finance Techniques.* As cities are given increased flexibility in the use of funds, the problem of how to most effectively apply funds to leverage private investment and to meet housing goals becomes a serious concern. To provide guidance in the allocation of funds, the city should make an analysis of the relative cost-effectiveness of various subsidy techniques being used (or that might be used) to determine which are most effective in leveraging private investment and effort, in stimulating maintenance and other value-preserving attitudes and activities, and in achieving housing goals. Among many others, these should include an evaluation of "353" and tax increment financing.
- *Prepare Plan and Program for the Near North Side.* The redevelopment and revitalization of the near north side is perhaps St. Louis' greatest need and opportunity. However, considerable planning will be required to realize the potentials of this area. Thus, a major planning study should be initiated to develop decisions about how lands are to be used, where major transportation facilities are to be located, how they should be designed, and where resources will be obtained to accelerate redevelopment and revitalization. This study should deal with the major economic development opportunities and objectives which are being established for the area, should provide ways

to stabilize and improve housing in the area, should find ways to benefit from potential major transportation investments, and should help to develop a new image and new sense of confidence which can attract private investment.

Because of the importance of the near north side area, planning should be initiated and supported by the city, drawing on transportation, economic development, housing, and other planning resources, and should involve participation by both city-wide and affected neighborhood groups. Initial funding should come from CDBG funds. However, commitments should be obtained from transportation, economic development, and other programs to continue planning and implementation.

7. *Develop and Apply a Budgeting and Evaluation Process for Neighborhood Revitalization.* Recommendations are made in this strategy for the establishment of a system for evaluating neighborhood conditions and needs, and for budgeting program monies through this system. Because the system is presented in outline, it will require substantial review and modification prior to implementation. Such a review should consider the criteria used for evaluating neighborhood needs and proposals, and should supplement and/or change those criteria, as needed. Action to review and approve the budgeting and evaluation process by the mayor and Board of Aldermen would also be very desirable. With such action, it may be possible to apply the process to a wider range of funds and services.

In addition to discussions with neighborhood groups and city agencies which are prospective applicants for community development funding, the following implementation measures should be considered:

- The proposed evaluation system should be subjected to technical review and refinement by appropriate department heads and staff and, if deemed necessary, by additional outside expertise.
 - The mayor and Board of Aldermen, pursuant to the favorable recommendations of the Community Development Commission, might adopt the system as the official community development proposal evaluation technique.
 - Once the system is in use, and working beneficially, the city might consider its use for budgeting non-community development programs.
8. *Strengthen and Clarify City-Neighborhood Relationships.* City and neighborhood roles and relationships must be clarified and reinforced to provide a truly effective mechanism for housing and neighborhood revitalization. A number of recommendations in the housing strategy are designed to help meet this need. However, a major and organized effort will be required to review and carry out these recommendations.

The mayor should create a special task force to study the potential roles of neighborhoods, the ways in which the city and neighborhoods interact, and the opportunity to establish additional implementation powers at the neighborhood level. This task force should review and confirm or modify the principles and concepts suggested herein for the distribution of responsibility and authority. It should also identify any special action which must be taken by the mayor, the Board of Aldermen and/or the state legislature to implement the conclusions of their work. If deemed appropriate, it should draft a major policy and guidelines statement which would embody essential conclusions.

9. *Reorganize and Redirect City Staff Resources to Implement the Neighborhood Revitalization Strategy.* The implementation of this strategy will require the redevelopment and a substantial strengthening of staff resources. A number of major projects have been suggested which, to be successful, must have the undivided attention of strong managers, and in some cases, a team or group of specialists. Some activities will require the attention of more-or-less "permanent" groups or units (for example, the provision of technical assistance), while others can best be handled by staff or consultant task forces of limited life (for example, the development of a plan for the near north side).

As soon as key decisions are made about which elements of the strategy are to be implemented, these should be reviewed to identify the staff needs which they generate. These needs should then be matched with resources, and appropriate staff acquisitions, assignments, and other adjustments should be made. *This reorganization and redirection of city staff resources is a key step in the implementation of the strategy and should receive early attention by the mayor and the director of CDA. Undoubtedly, additional skills and capabilities will need to be acquired.*

Key functions for which special organizational units and/or staff or consultant assignments should be considered include:

- Expedite and coordinate existing projects.
- Initiate near north side project.
- Study and implement special housing needs.
- Organize and provide technical assistance.
 - Planning
 - Training/education
 - Counseling/information.
- Direct housing and development finance.
- Direct budgeting, evaluation, and monitoring.
- Conduct of research and development of new tools and techniques.

- Public regulations and controls.
- Social services.
- Property acquisition, maintenance, disposition.
- Financing and cost-effectiveness analysis.
- Program packaging.

Similar staff and organizational needs will be generated by the economic development study and should be reviewed along with these in making staff and organizational adjustments.

10. *Work to Gain Additional Support for Neighborhood and Housing Revitalization from State and Federal Levels of Government.* A number of items for a program of requests to federal and state governments have been identified here. These include several specific actions such as increasing Section 312 rehabilitation loan allocations and enlarging the Section 8 program. Specific agendas of actions desired by the state and federal governments should be developed and used to help gain the support needed for neighborhood and housing revitalization in St. Louis. These agendas should be coordinated with those for economic development. They should be updated frequently to reflect the results of ongoing efforts to identify needs or obstacles which must be dealt with at these levels. Some items which should be considered for inclusion now are:
 - a. Provide special funding for north side planning and development, perhaps under the Joint Funding Act which permits pooling of funds from several agencies to plan and implement projects of joint interest. The several divisions of U.S. DOT (FHWA, UMTA, and FRA) should be involved as well as HUD, and the U.S. Departments of Commerce and Interior.
 - b. Adjust regulations and take other steps necessary to fund and enable the creation of the rehabilitation work force on a large scale. Some of the steps required are described in the economic development strategy study.
 - c. Expedite the application of the Urban Homesteading Program by facilitating the transfer of federally-owned properties to local control and to disposition to private ownership.
 - d. Provide larger and more stable commitments to the Section 8 and Section 312 programs. Assure the funding of social service activities to accompany these programs.
 - e. Provide federal historic district designations for additional eligible areas of the city.

- f. Provide SBA and EDA commitments to provide assistance for the revitalization of several key neighborhood commercial centers.
- g. Give the city greater flexibility in the expenditure of funds to provide time in which to develop sound local plans and implementation capacities.
- h. Simplify procedures for handling CDBG and other federal grant programs to reduce paperwork, delays, and excessive staff requirements. Introduce a two-year overlapping cycle for CDBG and related planning and budgeting.
- i. Require/assure the development of a housing and neighborhood development strategy and program on a regional level that is compatible with and supportive of efforts to revitalize neighborhoods in the city and to meet the housing needs of people throughout the region. Assure the provision of adequate amounts of housing for low-income households in areas outside of St. Louis.
- j. Review, simplify, and clarify organizational responsibilities for the conduct of housing, neighborhood improvement, and economic development functions in St. Louis.
- k. Provide the ability to use tax increment financing as an optional source of funding and development incentive in housing and neighborhood revitalization.

These are only a few of the many possible actions that could be requested of federal, state, and regional agencies. The important point is that St. Louis should develop and continuously maintain an agenda of actions which it is seeking from other levels of government to help it in its efforts to improve housing and neighborhoods.

Implications for "Year Five" CDBG Program

The strategy described here must be implemented over a period of several years; not everything can be done at once. However, important key steps should be taken as part of the "Year Five" CDBG Program. These steps are outlined below.

1. *Initiate budgeting, evaluation, monitoring program.* Initial criteria are suggested to determine which proposals for the use of CDBG funds merit priority. A procedure for evaluation has been outlined. These criterion and their support materials, should form the basis for the initiation of a system of project review and selection (and the selection of neighborhood strategy areas) to meet federal program requirements. Evaluation and programming procedures should be refined and tested so that they can be more fully applied to the "Year Six" Program.

2. *Seek proposals for or take the initiative to develop projects in the following areas:*

a. The development and conduct of training programs and materials in such areas as:

- Neighborhood and district organization, planning and management.
- The establishment and operations of local neighborhood development corporations.
- The establishment and operation of rehabilitation contract-organizations.
- The establishment and operation of property owner, condominium-type organizations.
- Property repair, maintenance and management techniques.

A survey should be conducted to determine what other training topics may be appropriate for inclusion in the Year Five Program and what the potentials are for initiating and conducting useful programs in these areas.

b. The development and use of counseling materials and programs in such areas as:

- Techniques for property repair, maintenance and management, for property owners and tenants.
- How to obtain and contract for repair and rehabilitation services.
- How to obtain financing for the purchase and/or rehabilitation of property.
- How to operate rental property.
- How to purchase property.
- How to organize and run neighborhood marketing activities.

Again, surveys should be conducted to determine what subjects offer the greatest potential for the conduct of counseling activities, and timely and useful programs should be funded wherever possible.

c. District and neighborhood organizational planning activities. Preference should be given to areas demonstrating the greatest need as determined through the evaluation system. However, the amount and nature of assistance provided should reflect the capability level and stage of the applicant in the organizational-planning process. Guidelines should be developed for the provision of assistance in this area.

- d. The provision of special social services to low-income families, especially in connection with the occupancy of Section 8 and/or public housing.
- e. The development of a plan to meet emergency housing needs.
- f. The development of pilot or demonstration projects in areas such as:
 - Training and use of CETA personnel in neighborhood maintenance/rehabilitation activities.
 - Homesteading and/or other techniques for encouraging ownership and equity development.
 - Maintenance and uses of vacant city-owned lands by neighborhood groups and residents.
 - Joint, multiple, or adaptive reuse of vacant property for public, commercial, and/or housing use, where this will serve to develop and demonstrate techniques of wide potential applicability.
 - Training and use of "assistant inspectors" to augment city inspection services.
3. *Continue work on modernization and refinement of the zoning code with special reference to the needs of rehabilitation and revitalization.*
4. *Conduct review of building and other codes and initiate revisions where appropriate to facilitate rehabilitation.*
5. *Complete "master plan" for renovation of public housing and take initial steps to implement.*
6. *Determine the general magnitude of the need for housing for the elderly, large low-income families and other special groups and develop programs for meeting these needs. Find ways to make the Section 8 and Section 312 Programs work more effectively.*
7. *Initiate near north side planning and seek additional funds from other sources [transportation, economic development, etc.] to assure adequate participation and effort.*
8. *Conduct a review of the plans and needs of existing projects [353 and others] and prepare necessary supporting plans, budgets and other implementing measures.*
9. *In connection with the economic development program, develop and begin to implement concepts for the organization and use of a Neighborhood Maintenance Corps.*
10. *Develop and take initial steps to create a more dependable and unified system for the financing of housing and rehabilitation and for the provision of housing*

assistance in the city. Concepts such as a central housing and development bank, the establishment of local, neighborhood run credit unions, banks, or similar institutions, (perhaps modeled after neighborhood housing services), and other possible public-private partnership arrangements should be explored.

11. *Initiate an analysis of the cost-effectiveness of various subsidy programs and practices* to provide a basis for judgments in the use of these programs and initiate program modifications or additions where these may be justified. The relative value and costs of "front end" and continuing subsidies, subsidies to owners and renters, and other alternatives should be explored. Tax increment financing and other techniques not now in use in St. Louis should be evaluated.
12. *Allocate resources to conduct a detailed analysis of the roles and responsibilities of various city agencies and of neighborhood organizations*, to provide a basis for developing a clearer, more rational and understandable, and more efficient distribution of functions related to housing and community development.
13. *Continue to fund and implement all aspects of the "Year Four" financial assistance program which are demonstrating success*. Seek additional resources for these programs from beyond the CDBG wherever possible.

Chapter 1 INTRODUCTION

Purpose and Scope

The purpose of this report is to identify the key actions required to stabilize and improve housing and neighborhoods in St. Louis. The actions needed are many. They range from broad steps which must be taken by the mayor, the Board of Aldermen, and perhaps even the legislature, to work which must be done by individual homeowners and neighborhood groups.

The most critical need is to greatly strengthen the ability of the city and its communities to plan and carry out housing and neighborhood improvements.

To be truly effective, a housing strategy must evolve from within and must be deeply felt and understood by both city officials and residents. Thus, emphasis is given here to the identification and recommendation of those actions which are needed to equip the city and its neighborhoods to more effectively plan and implement housing improvement actions. These actions must focus on the strengthening of institutions, on developing an understanding of organizational and procedural relationships, on expanding housing improvement tools and resources, and on prudent planning and resource allocation.

Of necessity, many of the recommendations contained within this report are of a general nature. Goals and objectives, improvement tools, and methodologies for application of improvement tools are intended to have long-term pertinence to revitalizing St. Louis. Moreover, since the distribution of specific problems changes constantly and, in some instances, is not known at present, it is impossible to prescribe solutions for specific and precise geographic areas with particularity. Instead, if the methodologies and criteria (contained here) for identifying and treating city and neighborhood problems are properly employed, it will be possible to create *separate but harmonious* improvement programs for each of the city's neighborhoods. This strategy does not develop, in detail, those separate programs; instead, it establishes the framework necessary to do so. New program tools are enumerated, criteria for application of tools are presented, and the current status of the city's programs are identified. These several elements of the strategy function together to create a city-wide housing program.

Although some recommendations relate to specific geographic areas, most do not; specific actions to be taken in specific locations must be identified as part of ongoing planning by both the city and its neighborhoods.

Method

With the assistance of the Community Development Agency, contacts were established necessary for defining problems and issues confronting St. Louis, as well as for the identification of prospective opportunities. An extensive review of literature regarding St. Louis, particularly pertaining to past and current housing, economic, and community development programs was conducted. More than 100 residents, city officials, aldermen, neighborhood leaders, developers, bankers, and businessmen were interviewed. A Special Housing Task Force was created by the city to oversee development of the 1978 Housing Program and the strategy. This data and resource base was used to determine the city's status, its needs, and its desires. Information and ideas being developed as part of the city's economic strategy were also reviewed. Several drafts and outlines of the materials contained herein were prepared and reviewed with CDA staff, the task force, and others in the city. These, and the comments received, were then used as a basis for this report.

Acknowledgments

Many people, agencies, and organizations have contributed to the development of this report. To preclude inadvertently omitting a name, and because of the vast number of people who have been involved, individuals cannot be listed here. Instead, the contribution of all neighborhood organizations, all people who consented to being interviewed, the staff of the Community Development Agency, the Special Housing Task Force, the mayor and Board of Aldermen, and the city's economic development consultant—Hammer, Siler, George Associates—is gratefully and sincerely acknowledged.

Chapter 2

BUILDING THE CAPACITY FOR NEIGHBORHOOD REVITALIZATION

The improvement of housing requires the improvement of neighborhoods. The improvement of neighborhoods requires participation and concerted effort on the part of neighborhood residents. People in neighborhoods must understand, support, and, in most cases, implement the maintenance, rehabilitation, and social service activities required. Healthy neighborhoods must have strong institutions which are intimately involved in both stimulating and supporting development, rehabilitation, and social service functions.

If housing revitalization is to be advanced in existing neighborhoods in St. Louis, local institutions must be strengthened and supported in many ways. In areas ravaged by change, it may be necessary to create new institutions and groups and to help these find and perform functions that will give them viability and purpose. There are many functions which are needed in relation to the maintenance and rehabilitation of housing and improvement of neighborhood facilities and services. These range from helping to monitor and plan to the actual conduct of rehabilitation and social service activities. Ways must be found to encourage and, if necessary, create a capability and interest within neighborhoods which can develop and implement plans required for improvement.

Thus, an essential element of housing strategy is strengthening of the decision-making and implementation system by clarifying governmental roles and responsibilities in housing and neighborhood improvement. Differentiating between city-wide and local efforts to achieve housing strategy objectives should enable St. Louis to take advantage of key emerging social and economic trends, as well as to use major resources that are being made available for federal and state governments.

Although the causes of St. Louis' housing problems are both city-wide and localized, solutions to these problems must be at the local level; most housing development and residential improvements must take place block-by-block and lot-by-lot rather than at the scale of large new suburban tracts. Successful revitalization must capitalize on the participation of neighborhood residents as *deeply-involved insiders* in the midst of local community development activities.

Residents' passive resistance, acquiescence to, or even lukewarm support for, revitalization cannot provide a satisfactory basis for achieving the city's housing objectives. Therefore, an approach should be followed that builds on past efforts and that systematically combines centrally-run programs and projects with major new, local improvement activities.

Five principles must be applied in the building of programs and capacity. First, although improvement programs must obviously apply consistently across the city, neighborhood revitalization activities must be tailored to closely *reflect the detailed needs of St. Louis' residents and neighborhoods*—programs must be explicitly targeted and coordinated to meet local needs.

Second, both the depth and breadth of *citizen involvement* in formulating and implementing locally-based community development programs must be increased. Revitalization efforts often have succeeded in St. Louis only as a result of direct local initiative and action. To ensure continued success, it is now necessary to intensify local participation by increasing the representativeness and effectiveness of neighborhood groups and by increasing and formalizing their roles and responsibilities in decision-making and development. Some neighborhood groups are already aided by the city to enable their participation in revitalization. However, there is no set way for assistance to be given. Roles and responsibilities are confused, and there is controversy about them. Formalizing roles will make it possible to replace ad hoc, inefficient, and sometimes ineffective activities with a stronger, more structured, rational framework for action.

A third principle for achieving housing strategy objectives requires better *coordination of activities*, both within neighborhoods and at a city-wide scale, to achieve consistency, eliminate duplication of efforts, and otherwise increase effectiveness. Thus, many actions might be better administered and coordinated within neighborhoods and possibly even at block levels. Meanwhile, there must still be overall direction and coordination of activities throughout the city.

A fourth principle for clarifying and strengthening the decision-making and operational structure requires the *identification and addressing of appropriate issues of city-wide concern*. Whatever procedures or relationships are established, they must be capable of giving the necessary special consideration to issues and areas of city-wide, strategic significance—issues of mainly local concern should be clearly distinguished as such and addressed accordingly.

A fifth principle relates to the need to *create incentives to further stimulate local, private, revitalization efforts*. So far, many of the city's neighborhoods and many private interests generally have not had sufficient incentives to become deeply involved in housing and neighborhood revitalization. Yet, broad, effective involvement is the key to sustained revitalization. Increasing citizen participation in local decisions and in development activities will help to create residents' confidence in their neighborhoods and to strengthen their identities; this can only help to stimulate further development and revitalization.

The meeting of housing strategy objectives and the satisfaction of these five principles will require clarification and strengthening of the decision-making and operational structure. Much of this clarification and strengthening will need to be at the neighborhood level. Although St. Louis has developed a neighborhood focus to its community development activities, much of this focus is still unstructured and unplanned. The time has now come to systematically identify appropriate allocations of roles and responsibility and to build capabilities at the levels required.

Meeting local needs, involving citizens, coordinating activities, and stimulating further revitalization together will necessitate encouraging neighborhoods to systematically define their own local needs and priorities, and to become more involved in the meeting of those needs. Nevertheless, the city must retain decision-making and operational control over concerns of city-wide significance, and, consequently, there must be a systematic way of discriminating between such strategic issues and those more local ones for which basic decision-making and operational control can be exercised at local levels, subject to city review.

This chapter begins the process of identifying the criteria for differentiating between strategic, city-wide, and local housing issues in St. Louis and, accordingly, clarifying and strengthening decision-making and operations at both city and neighborhood levels. Because the concepts discussed here may be applicable far beyond the limits of the housing strategy; this chapter also discusses ways in which it might relate to other local municipal functions. Examples are then given of how the concept may be applied specifically to the city's housing program.

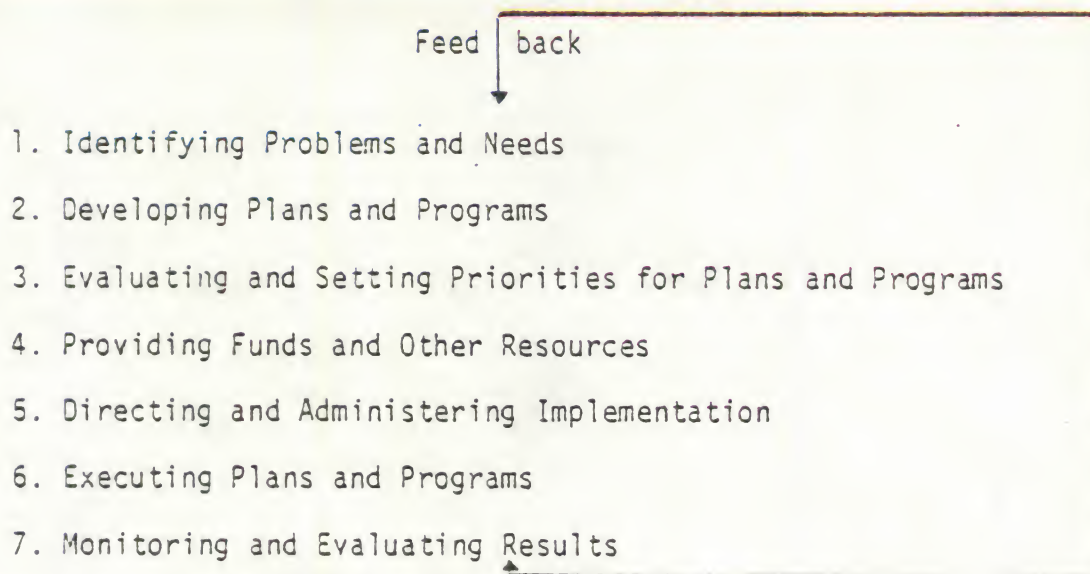
The Basis for Restructuring Service Responsibilities.

Providing housing-related and other public services to St. Louis neighborhoods entails a series of seven general steps in a planning and implementation cycle, from defining problems and needs, through program or project implementation, to monitoring and evaluating results for feedback to the first stage of a new cycle (see Table 2-1). Many of these steps are currently the prime responsibility of central, city-wide organizations. However, the location of decision-making and operational control so far from the scene of implementation may not be the best way to achieve individual neighborhood and housing improvement objectives.

Deciding how to organize and allocate services between levels requires criteria and a knowledge of current and previous experience with centralized and decentralized functional responsibilities both in St. Louis and elsewhere.

Table 2-1

STEPS IN A GENERAL PLANNING AND IMPLEMENTATION CYCLE FOR PROVIDING
PUBLIC SERVICES IN ST. LOUIS



General Criteria for Clarifying and Reorganizing Responsibilities for Functions

To be most effective, a close relationship between decision-makers and residents is required. To achieve this relationship, the city may need to delegate authority to local or neighborhood entities except where city-wide interests clearly exceed local concerns. In general, four interrelated criteria should be used in evaluating the best location of responsibilities for steps in the provision of St. Louis' public services.¹ These are:

1. *Scale.* Economies of scale in supplying public services may favor large or central units of government for steps in the cycle that can be more inexpensively and rapidly provided in quantity above key threshold numbers of users. Major projects requiring specialized and very costly machinery or facilities, or highly-skilled personnel, should spread total costs thinly across a large number of users by servicing large populations—a large "critical mass" must be assembled before the project can be worthwhile. Thus, St. Louis has only one major sports stadium; having many would be completely unnecessary and wasteful.

¹ These same criteria also apply in the similar, continuous debate over the proper allocation of responsibilities for providing public services between federal and state levels of government, and likewise between state and municipal levels—these criteria are so universal that they also apply in modified form in the constant debate over the limits of governmental intervention in the private sector.

Yet, there are many services without significant economies of scale; most neighborhood-oriented services are, by contrast, labor-intensive and lack any real potential for the major savings that result from provision in large quantities. Services including housing rehabilitation (or even new construction), simple public works, planning, medical care, elementary education, counseling, or police/security patrols, all require large labor inputs and intimate local knowledge; in such cases, a large central organization for delivering services frequently leads to costly *diseconomies* of scale, such as inefficient, overly-bureaucratic management and personnel systems. Often a smaller or decentralized organization can provide more efficient and effective service.

2. *Services Tailored to Needs.* Meeting special demand for public services favors an organizational system that is flexible enough to assure equitable provision of basic levels of services, yet can provide public services in different supplemental amounts according to local tastes and needs in different areas across St. Louis. As one example, different types of housing programs are required in different types of neighborhoods—technical assistance is less necessary in neighborhoods with well-organized, professionally-staffed residents' groups. A standardized level of service across the city for locally-oriented housing programs is, therefore, clearly inappropriate. On the other hand, the whole city needs certain standard, coordinated base levels of service, as well as uniformly available economic development activities, major transportation facilities, or other key services. City-wide organization is the best response for meeting demands for such major services of strategic significance.
3. *Spillover Costs/Benefits.* Coping with spillovers or side effects is a third key criterion for determining how to allocate various roles and responsibilities. Programs or projects with severe, localized, negative impacts but important positive effects throughout the remainder of the city require some kind of decision-making and operational structure that can match and, where possible, compensate for the imbalance of costs and benefits between the local and larger scales. For example, long-run benefits of city-wide significance from major new highways, transit routes, or large public housing projects that meet city-wide demands should not necessarily be obscured by potential harmful short-run localized impacts. Conversely, some locally beneficial projects with negative city-wide impacts should also bear scrutiny from a city-wide viewpoint, e.g., local street and vehicle-flow modifications sometimes create barriers to traffic which may be important to the whole city.
4. *Flexibility to Respond to Change.* The decision-making and organizational structure for providing public services must be flexible enough to respond and adapt to *continuing* changes—changes in technologies and skills needed in supplying services, changes in the basic levels of demand that warrant services, and changing perceptions of side effects and interrelationships between types of public services and neighborhood condition. For example, the neighborhood focus for public services in St. Louis' housing strategy reflects growing awareness of past strategies' failures to deal with problems such as diseconomies of scale in providing massive public housing, variations in levels of demand for

services, and the effects of housing services in one neighborhood on the remainder of the city. Present views on optimal decision-making and organizational structures for providing public services are not immutable; as circumstances, needs, and objectives change in the future, allocations of responsibility for providing services will need to change again. A key aspect of response to this fourth criterion is, therefore, to leave the city's options open for future reallocations of roles.

Examples of Decentralized Decision-making and Operations

Numerous examples already exist in the St. Louis metropolitan area of successful sharing of decision-making and operational responsibility between levels of government and between public and private entities. Where appropriate, this local experience should now be applied to the city's structure for providing housing and other public services to achieve the housing strategy's objectives for community development activities, while abiding by the five key principles outlined earlier in this chapter. Relevant experience from outside the region should also be applied.

The clearest examples in the St. Louis region of a decentralized approach to public services lie in the suburbs surrounding the city. Communities of varying sizes on both sides of the river provide the full range of municipal services. Sometimes each community provides all services, sometimes it does so in cooperation with other jurisdictions, yet normally services are available to the general satisfaction of the community's residents. In addition, St. Louis County provides key centrally-organized services under contract to small jurisdictions, achieving economies of scale in supply while still responding to specific local demands.

Many of St. Louis' Chapter 353 corporations indicate how locally-organized and locally-operated revitalization can be effective in meeting neighborhoods' specific needs. Development corporations such as Union-Sarah Economic Development Corporation, Jeff-Vander-Lou, and DeSales Restoration Group represent other local initiatives in providing a range of public and quasi-public services. That private streets exist and are well-maintained in several areas of St. Louis is a clear example of neighborhood organizations at a very small scale efficiently meeting the needs of small groups of residents for what are typical public services. Neighborhood Housing Services, Inc., provides successful residential counseling and home finance in one area of the city in part due to its decentralized nature.

Private sector provision of services clearly parallel to similar services in the public domain is represented by condominium associations, which frequently provide their residents with a wide variety of security, quasi-public works, and cultural services. Private scavenging and security services for large commercial or industrial customers represent other ways of efficiently and effectively providing quasi-public services to clients with specific needs, as do taxicab firms (the most flexible of all para-transit options) or private charter bus operations.

Parochial and other private schools are further examples of locally-organized services that operate parallel to similar public sector efforts. Other quasi-public, nonphysical, locally-provided activities that clearly impinge on the quality of neighborhood life and thus on housing include private provision of day care services, senior citizen, mental health, drug and alcohol addiction, and medical care programs. The quasi-public or fully-public nature of many of these privately-operated decentralized programs is often recognizable through their contracts with federal or state agencies—a major reason favoring such purchase-of-service contracts is often the standardized, vast, costly, and unmanageable bureaucracy that would be necessary to administer *and* operate such programs through one central agency.

Good precedents clearly exist within the St. Louis area for the provision of various public or quasi-public services by localized and private operators. Examples of formal municipal decentralization (to varying degrees) also occur and have occurred across the country, from Boston's Little City Halls, through New York City's Community School Districts and Community Planning Districts, Baltimore's Mayor's Stations, Washington, D.C.'s Service Areas, Columbus' Mini-City Hall, Indianapolis' Mini/Gov Legislation and Community Councils, and Chicago's Urban Progress Centers; to San Francisco's outreach programs and Los Angeles' Branch City Halls.² Table 2-2 presents a broad review from a national study of various local public functions that have been effectively and efficiently performed by independent or semi-independent "localities" with populations of 10,000 to 25,000 or more, people.

Strengthening Public Services Through Clarification of Responsibilities and Selective Decentralization—A Scenario for St. Louis

The above-cited cases of different public services being performed by different governmental or quasi-governmental levels lead to confidence in the usefulness of clarifying and strengthening, via decentralization of applicable services and responsibilities, the provision of public services in St. Louis to meet this strategy's housing and general community development objectives. To achieve the strategy's objectives, this report proposes that necessary rationalization of responsibilities for decision-making and operations could be achieved through allocating and decentralizing such powers to three levels of government. The proposed levels might range from formally-recognized neighborhoods through newly-created District Councils, to the continued coordination of interrelated activities, provision of large-scale services and control of strategic functions by the city's agencies.

² One interesting source of comparative information on cities' experience with decentralization is "Municipal Decentralization and Neighborhood Resources—Case Studies of Twelve Cities," George J. Washnis, Praeger Publishers, New York, 1972. This experience has been greatly expanded in recent years. Proposals are now being developed for further decentralization of services in Los Angeles.

Table 2-2
ACTIVITIES WHICH CAN AND CANNOT BE HANDLED LOCALLY

Functions	Activities Which Can be Handled by a Locality of		Area-wide Activities Which Cannot be Handled Locally
	10,000 Population	25,000 or More	
Police	Patrol Routine investigation Traffic control	Same	Crime laboratory Special investigation Training Communications
Fire	Fire company (minimal)	Fire companies (better)	Training Communications Special investigation
Streets and Highways	Local streets, sidewalks, alleys: Repairs, cleaning snow removal, lighting, trees	Same	Expressways Major arteries
Transportation			Mass transit Airport Port Terminals
Refuse	Collection	Same	Disposal
Water and Sewer	Local mains	Same	Treatment plants Trunk lines
Parks and Recreation	Local parks Playgrounds Recreation centers Tot-lots Swimming pool (25 m.)	Same plus Community center Skating rink Swimming pool (50 m.)	Large parks, zoo Museum Concert hall Stadium Golf courses
Libraries	Branch (small)	Branch (larger)	Central reference
Education	Elementary	Elementary Secondary	Community colleges Vocational schools
Welfare	Social services	Same	Assistance payments
Health		Public health services Health center	Hospital
Environmental Protection		Environmental sanitation	Air pollution control
Land-use and Development	Local planning Zoning Urban renewal	Same plus Housing and building code enforcement	Broad planning Building and housing standards
Housing	Public housing management	Public housing management and construction	Housing subsidy allocation

Source: Adopted from Howard Hallman, *Government by Neighborhoods* (Washington, D.C.: Center for Governmental Studies, 1973), p.24.

General Structure

Satisfying the principles of increased citizen involvement and maximum satisfaction of local needs calls for neighborhoods to become more strongly involved in developing community development proposals, initiatives for new services, and new arrangements for existing services. Maximizing citizen involvement might require that several neighborhoods *formally* elect representatives to District Councils (DC). Such councils might act independently as well as in behalf of the city to perform certain local functions.

To ensure direct citizen involvement in meeting local needs and coordinating local services, District Councils could have certain decision-making and operational powers over matters of local interest. Through their assembly in the Citizens' Advisory Committee (CAC), they might have an advisory role to the Board of Aldermen on coordination of city-wide services and other strategic issues.

The critical need to address city-wide issues would still, of course, require that the mayor and the Board of Aldermen retain control of strategic decision-making; budget, and operations for public services of city-wide significance, for services entailing major economies of scale, or for services with significant inter-neighborhood spillover effects. In addition, the mayor and the Board would retain important oversight review of programs provided at the local level, a form of "management by exception" which is presently hard to achieve through the cumbersomeness involved in being responsible for all aspects of the city operations.

Neighborhood Level

To ensure maximum citizen participation, neighborhoods should continue to organize themselves in groups of one kind or another. A great variety of such groups should be encouraged, not curtailed, but should be given necessary formal structure to ensure their more representative operation and a more focused meeting of local needs. Thus, in some cases, groups should be positively encouraged and assisted to incorporate as private, not-for-profit Neighborhood Development Corporations (NDCs). As a way of building incentives for revitalization and a sense of commitment to neighborhoods, ways should be sought to give residents a formal "share" in the worth of an NDC and its operations. See Chapter 5, Equity Development, for more details.

Some NDCs should assume formal responsibilities under city ordinances and state law similar to those of Chapter 353 corporations. For instance, to target development activities to neighborhood needs more accurately, NDCs could, independantly or in partnership with private developers, plan and operate special projects such as community-planned, -financed, and -operated housing rehabilitation or small-scale commercial revitalization. Some of the social services that are provided by public agencies under contract might also similarly become the responsibility of well-managed NDCs, so providing a continuing source of income to strengthen corporations' operations and a further opportunity to focus and tailor efforts to meet local needs.

District Level

Achieving high levels of citizen participation while efficiently coordinating local services and targeted community development activities at local needs might require that District Councils comprise formally-elected representatives of their **constituent informal neighborhood organizations and formally-incorporated NDCs**.

Councils might elect one or two members (presumably the chairperson and one other) to the city-wide CAC for consideration in the body of city-wide coordination of services and other strategic issues. Both the DCs and CAC would need standardized, formal, quasi-legislative rules and procedures, for the former would be the units around which many basic planning and operational responsibilities might revolve, and the latter would have a key role in the allocation of resources and in overseeing services of city-wide concern.

District Councils should gradually develop a major role in decision-making on and operations of public services within its boundaries. Each council could then target and coordinate public services in its district to meet the needs of its residents as expressed through elections to the DC, in ways which centrally-organized bureaucracies cannot match.

District Councils might eventually be granted control or authority to run existing public services, initiate new local services, or to supplement existing services with additional local efforts. For instance, a DC might wish to undertake local beautification activities that clearly are of limited city-wide significance. It could presumably contract to provide the service with its choice of the city, private sector builders, or the Neighborhood Maintenance Corps (see Chapter 5 for details of the latter).

Fulfilling the principle of coordination of local activity would require that District Councils be granted some responsibility for overseeing local public services, whether directly city-provided or performed under a DC's contract. Councils could accordingly take prime responsibility for requesting, and eventually themselves producing, District Plans, plans with which NDCs might be required to comply. Thus, a council would become the key local policy and direction-setting body. The council would be able to coordinate services in a fashion that is normally extremely hard, if not impossible, to achieve with one multi-division, centrally-run organization.

To ensure the status necessary to enable DCs to deliver locally-desired services and to bolster citizen involvement in councils' operations, their budgets could be derived from a share of the city's Community Development Block Grant income or from real estate and other taxes. Such shares might usefully vary according to the needs and trends in neighborhood conditions, in a council's capabilities, and in other factors (see Chapter 4 for a description of a proposed process for allocating funds for community development between neighborhoods).

District Councils may eventually also be granted semi-autonomous taxing powers, with the right to levy small special assessments and district property taxes. Such taxes could be collected by the city through the normal property tax, and, together with the other revenue sources discussed above, might enable use of tax increment financing as a means of further stimulating revitalization and community development.

Chapter 5 of this report describes further ways in which capacities for revitalization can be increased through the strengthening and operations of District Councils and Neighborhood Development Corporations.

Clarifying Roles and Responsibilities—Two Examples

Two examples of particular housing programs will show how clarifying the delivery of the city's housing services can help in different ways to achieve the objectives recommended in this housing strategy. In the first example, technical assistance, review of the program shows that decentralization of steps in the planning and implementation cycle will have only limited applicability as a means of achieving housing objectives. On the other hand, the second example, the NHS-district revolving loan fund concept, it quite clearly a housing program which benefits very greatly through decentralization of decision-making and operational responsibilities.

These examples illustrate how the principles for allocation of roles might be applied; each program and activity should be reviewed against these principles to determine the best ways to distribute responsibility.

Technical Assistance

CDA's technical assistance program will provide neighborhood organizations with money and staff time to build their capacity and to develop the necessary skills for undertaking locally-designed revitalization activities with a high degree of citizen involvement. Through this program, neighborhood organizations should become adept at identifying local problems, needs, and priorities, and more capable of themselves managing and administering local community improvement efforts of various kinds. However, although it facilitates decentralization, the assistance program itself is presently centrally-organized. Applying the four organization criteria to the program indicates that to best achieve strategy objectives, and to simultaneously abide by the five principles outlined earlier, much of the program would likely need to remain centrally planned and implemented.

The technical assistance program provides neighborhood groups and individuals with specialized knowledge, skills and information, items which can best be developed and gathered in one or a very few locations for dissemination throughout the city. Thus, there are significant *economies of scale* in organizing a central source of assistance.

Different neighborhoods in the city need different types of technical assistance, but *meeting varied demands*, the second organizational criterion, will likely be easier with the broad knowledge of conditions in other neighborhoods and varied skills which a centrally-operated program could generate—experienced central staff would know how best to target efforts in a neighborhood to meet its particular problems and how to provide for exchanges of relevant information between neighborhoods.

A centrally-organized program would be able to provide technical assistance to help adjacent neighborhoods deal more effectively with many problems, issues and revitalization activities that produce *significant spillovers*. Finally, through further economies of scale, a centrally-operated assistance program would best be able to keep abreast of changing ideas and concepts from around the country regarding neighborhood needs and programs, thus complying with the fourth organizational criterion, *responding to changes*.

The above analysis indicates a need to centrally administer and execute technical assistance in Steps 5 and 6 in the program's planning and implementation cycle. Would the other steps also be best undertaken centrally? Clearly a central staff can, with appropriate input from neighborhoods, develop the most comprehensive outlook on the problems and needs facing St. Louis' neighborhoods. Steps 1 and 2 should accordingly be the prime responsibility of a central organization. Step 3 also requires direct citizen input in setting priorities for plans and programs on a city-wide basis, but would still be most comprehensively and efficiently performed centrally. Funds for a centrally-organized technical assistance program would most likely come in Step 4 from a central source such as the CDBG program, and central monitoring and program evaluation,³ again with appropriate high levels of citizen input, would also likely be the most efficient and effective means of performing Step 7.

NHS District Revolving Loan Fund

Neighborhood Housing Services, Inc. (NHS) operates only in one target demonstration area in St. Louis. It provides finance for homeowners through a local high-risk revolving loan fund, and simultaneously provides local counseling on housing improvement and maintenance to area residents to increase their roles in revitalizing their neighborhood. A district revolving loan fund concept (see Chapter 5 for more details) might involve creation of small-scale programs similar to NHS in other suitable areas in the city. A district revolving loan fund, like NHS, targets its operations to involve citizens to meet the special needs of a neighborhood with a high home ownership rate but poor access to finance and home maintenance knowledge and, through stabilizing a neighborhood to provide incentives for further private revitalization and development.

³ Not necessarily by the same staff who provides assistance in the neighborhoods.

There are few major economies of scale involved in the NHS district revolving loan fund type of program. Each program requires a small number of full-time staff located in the neighborhood it serves; actual day-to-day administration and execution in the planning and implementation cycle is concentrated in the neighborhood. Defining neighborhood problems (Step 1) is likely to be a task undertaken jointly by central staff and, where possible, neighborhood organizations, but the development and evaluation of plans and programs to meet specialized local needs would require little more than replication of existing program formats. Thus, Steps 2 and 3 would involve few economies of scale, and could be easily undertaken by decentralized organizations. Providing funds and training staff in Step 4, and monitoring and evaluating program results in Step 7, could best be performed centrally to make use of limited economies of scale, but the bulk of program operations would still be concentrated at the neighborhood level.

A NHS district revolving loan fund program concentrates its activities within a neighborhood; while obviously leading to that area's revitalization, it has few major spillover effects outside the neighborhood. Accordingly, the third organizational criterion also favors decentralized operations. The fourth criterion, *responding to changes*, would require likely new basic directions for each program in each neighborhood, and such shifts in policy would clearly need to be approved if not initiated by a central organization. Nevertheless, implementation of the changes would still require detailed activity at the neighborhood level.

In conclusion, technical assistance is an example of a program with a truly decentralized orientation, yet one which major potential economies of scale would suggest should be centrally provided to most effectively and efficiently achieve the housing strategy's objectives. By contrast the equally neighborhood-oriented Neighborhood Housing Services district revolving loan fund type of program has few functions that are most effectively performed by a central organization; instead many of the steps in such a program's planning and implementation cycle would be best performed on a decentralized basis. Careful review, using the organizational criteria outlined in this chapter, will indicate further potential for decentralization of applicable locally-oriented functions in particular programs.

Summary

The achievement of St. Louis' housing objectives inevitably requires improvement of the decision-making and operations structure of the city's community development activities. Five objectives should guide the organization of revitalization activities. These are:

1. Reflect the detailed needs of St. Louis' neighborhoods.
2. Increase the depth and breadth of citizen involvement.
3. Ensure better coordination of public services.
4. Ensure the identification and addressing of issues of city-wide concern.
5. Create incentives to further stimulate local, private, revitalization.

To achieve these objectives, it will be necessary to clearly distinguish needs and activities of city-wide importance from those of strictly local concern.

Four criteria should be employed in the review of existing or possible decision-making and/or administrative structures. These are:

1. *Assure economies of scale* in the provision of service.
2. *Meet local variations in demand* above city-wide base levels of service.
3. *Cope with spillovers* of program impact beyond the local, neighborhood level.
4. *Respond to changes* in the technologies of supply, local demand, and attitudes to spillovers.

Many examples exist in the St. Louis area and elsewhere of public and quasi-public local services that are efficiently and effectively provided through a combination of centralized and decentralized decision-making and operational structures. The experience of these examples should form the basis for restructuring St. Louis' community development programs in light of the city's housing objectives. Some of the actions that might be appropriate include: establishing a more formal role for neighborhood organizations and the creation of Neighborhood Development Corporations; creating elected District Councils, with specific powers over issues of local concern; formulation of the Citizens' Advisory Committee as an advisory body to the Board of Aldermen with the former comprised of District Council elected representatives; and strengthening the mayor and Board of Aldermen as the entities responsible for strategic policy decisions, and operations of city-wide significance as well as review of District Council activities.

Applications of the four criteria for restructuring decision-making and operational responsibilities to two examples of specific housing programs shows that one program would not benefit from decentralization and one would. (Yet both programs⁴ have an explicit neighborhood orientation to the delivery of housing services.) Careful review using the four criteria will indicate other potentials for decentralization which may help to achieve the city's housing objectives.

The building of capacities for planning and action at the neighborhood and community level is an essential element of the recommended housing strategy. Concepts and principles for building these capacities—and for more clearly distinguishing the roles of the city and neighborhoods—are described here. To implement these concepts, the city will need to review all of its actions relating to housing and neighborhoods and will need to encourage and help neighborhoods to do as much as possible in the planning and implementation of revitalization activities.

⁴ The programs are respectively technical assistance and an expanded Neighborhood Housing Services concept.

Chapter 3

MEETING CITY-WIDE NEEDS

While much of the city's effort to improve housing must be channeled to meet needs identified at the local, neighborhood level, a significant portion should be allocated to help achieve objectives that are of city-wide significance. These objectives deal with a wide range of concerns, from *social* (such as meeting the special housing needs of the poor or the elderly), *environmental* (such as reclaiming portions of the riverfront for open space and recreational use), to *economic* (such as supporting the continued growth of major employment centers). Although some of these can be met through action initiated at the neighborhood level, most will require that significant initiative and direction be provided by the city.

The purpose of this section is to indicate how the city's housing programs should be used to support and advance the achievement of important city-wide objectives. Not all of the city's overall needs and objectives have been identified. However, a concurrent study dealing with economic strategies being conducted by CDA and Hammer, Siler, George Associates has identified a number of critical concerns. In addition, several housing needs will require attention on a city-wide scale.

The importance of these concerns cannot be overestimated. Their treatment will critically affect the success of efforts to improve neighborhoods, generally, and housing, specifically, in both direct and indirect ways. For example, the economic strategy study has identified a critical need to stop the loss of jobs and business enterprise by the city. It has also identified a need to find jobs as soon as possible for some 22,000 persons who are presently unemployed within the city. Unless these needs are met, incomes generated in the city will drop and the ability of residents to afford suitable housing will be further reduced.

On the other hand, the creation of new jobs, new industries and businesses, and the rejuvenation of existing enterprise could breathe new life into the city. They could generate a flow of income and investment which would support a substantial rejuvenation of housing and neighborhoods.

There are three major ways in which housing relates to economic development. First, the housing market benefits from the income which is generated by the creation of jobs. Second, attractive, stable, economic functions can create the

confidence and the general upgrading of property values which is required to support new residential investment. Third, the maintenance and improvement of housing can help create an environment which will attract and hold economically important functions. It is thus critical that the efforts to improve housing in St. Louis be closely coordinated with those involved in efforts to improve the economy, the environment, and the resolution of important social concerns.

What are these concerns and how can the housing program be related to them? Briefly, they fall into five major areas:

1. *Retain and Support the Expansion of Existing Businesses, Institutions, and Employment Centers.* Some 250,000 people are employed in St. Louis. Of these, approximately 40 percent work in the central business district, 5.7 percent are employed in medical and related institutions, 2.6 percent in higher education, and 35 percent in various forms of industry. Most of the jobs in St. Louis are concentrated in what might be termed the "central core" commercial and institutional area and adjacent to the Mississippi River. The balance are scattered in neighborhoods and smaller "strip" commercial areas and in two or three major installations such as the General Motors Plant.

A most critical element in the city's economic strategy is the preservation and improvement of this existing employment base. This element requires that efforts be made to maintain and improve the environment of existing business, industry, and institutions. In some cases it may require that space be provided for the expansion of existing economic activities. Others would benefit from the construction or rehabilitation of housing to accommodate workers and/or customers or patrons. As indicated below, steps to improve and maintain housing have been initiated in many areas currently important to the city's economy. These steps must be confirmed and expanded if critical economic needs are to be met.

2. *Create Opportunities to Establish Major New Industrial and/or Commercial Facilities.* Many industrial and commercial activities can be attracted only if they can be provided with relatively large sites in attractive, accessible, and secure environments. Such sites are rare—some might stay nonexistent—in St. Louis. Thus, the development of one or more large "parks" for commercial/industrial use has been identified as a major economic development need. If such a park could be created with good access to freeways and with adjacent neighborhoods which are improved or improving, it is suggested that it could attract new industrial and commercial development and new jobs.

The creation of an attractive new industrial park represents a substantial project involving the assembly and clearance of land as well as the improvement of neighborhoods. However, if significant new commercial or industrial areas are to be created in St. Louis, major housing and neighborhood improvements must be made to accommodate any displacement that may be generated and to protect and improve residential areas adjacent to prospective commercial and industrial development.

3. *Enhance Potentially Valuable, Natural, Historic and Architectural Qualities.* It is suggested by many that one of the great assets of St. Louis lies in its historic and architectural character. Certainly, areas, buildings, and places of historic or architectural significance have increased tremendously in value in recent years as tourist attractions and, in some instances, as places in which to live, work, and do business. The relative success of the LaCledes Landing and Gateway areas in attracting visitors and other new investment are evidence of this. Thus, as one way of stimulating and strengthening the city's economy, it is proposed that St. Louis do whatever it can to preserve, enhance, and capitalize upon areas of historic, architectural, or natural value.

Housing investments can be extremely important in achieving this objective. They can help directly in preserving or restoring historic or architectural features. They can also help to improve the environment in which such features exist and thus serve to enhance them. Such investments must be an important part of the city's housing effort.

4. *Help Meet Special Housing Needs.* There are many persons with housing needs that may not be met normally through the operations of the market or through neighborhood initiated programs. These may include portions of the population which are poor, old, ill, or handicapped or displaced or otherwise temporarily dislocated. It also may include students or others for whom conventional housing may not be suitable.

Although many neighborhood-initiated improvement programs may help to meet these needs, some special effort by the city will be required to assure that needed housing is available in adequate quantities and in suitable locations. Such an effort may take the form of technical and/or financial assistance, the purchase, preparation, and disposition of land for development, or the actual development of the buildings and facilities needed. In any event, the city must be prepared to meet special housing needs, with or without the cooperation and assistance of neighborhood and private organizations.

5. *Help Create Jobs, Skills, and Capital.* Three of the most important needs in St. Louis are the creation of jobs, development of skills, and provision of capital. Over 22,000 city residents are out of work. Most need to acquire skills that can assure continued employment. At the same time, there is a crucial need to improve the city's physical facilities—to increase its capital value as represented by its neighborhood facilities, its housing, and its commercial and industrial plant.

The city's housing strategy must be designed to help meet these needs through a linkage of training, employment, and housing programs and through coordination of housing and commercial development programs, as described previously. This suggests that priority be given to projects or program activities that achieve multiple benefits: housing, jobs, and skills and capital formation.

Major Needs and Opportunities

The economic strategy study has identified a number of opportunities and needs which require attention if the city is to maintain or improve its job and tax base. These are described in separate reports dealing with that strategy. It is evident that these needs and opportunities are concentrated largely in industrial, commercial, and institutional areas along the Mississippi River and in a rather large "core" area roughly defined by the river, Interstate Highway 44, St. Louis Avenue, and Spring or Vandeventer Avenues. Some important economic and cultural functions are located outside this area. However, this area contains many facilities that are critical to the city's economy and job base and to meeting key needs for health care, specialized housing, and cultural and educational opportunity. The area also contains a number of significant residential neighborhoods and areas. It also includes substantial areas of vacant and underutilized land which represent the city's major opportunity for the creation of new industry, commerce, and housing. Thus, if a number of needs of city-wide concern are to be met, major efforts must be made to protect, enhance, and better utilize the resources contained in these riverfront and core areas.

Current Projects

The importance of these areas is recognized in many of the current projects and activities of the city. As a result, they contain a number of major city supported or approved projects. Most have been initiated and are being planned by organizations within the area. Substantial investments and major public and private commitments have been made. The continuation and ultimate completion of these projects is critical to many aspects of the welfare of the city; ongoing support must be a part of both the city's housing and economic development strategies.

The scale and nature of the housing component of these projects is generally indicated in Table 3-1.

Several observations regarding present and current projects and activities in this area are appropriate:

1. Information about plans for proposed developments is incomplete and somewhat tentative. Several projects have been planned in detail and have well developed budgets and estimates of required public expenditures. For example, the recently developed plan for the Midtown Medical Center area is relatively complete and detailed in its identification of capital improvement requirements and in program objectives. However, there apparently are no definite plans for some of the improvements being pursued, and there is, thus, no way in which either overall costs or housing impacts can be estimated. Uncertainty during recent years regarding markets, funding, and other factors has created a situation in which detailed planning may not have been warranted. However, if a meaningful evaluation of proposed public expenditures or impacts is to be made, more definite, detailed plans should be prepared.

Table 5-1

MAJOR CURRENT AND PROJECTED RESIDENTIAL PROJECTS/ACTIVITIES

Project	Projected Investment (Millions) (1)	Committed Public Costs (Beyond 1978) (Millions) (1)	Housing Impact	Scheduled Completion (Year) (1)
<u>Core Area</u>				
1. Lafayette Town	\$65	\$1.6	2,530 New Units 285 Rehabilitated Units	1985
2. LaCleda's Landing	50	\$0.3 Unknown	Historic restoration, some special housing	None
3. Midtown Medical Center	75	\$5.4	500 New Units 800 Rehabilitated Units	1985
4. UDAG	58	\$4.2	592 New Units 700 Rehabilitated Units	1982
5. LaSalle Park	20	\$2.5 Unknown	330 New Units 330 Rehabilitated Units	1982
6. Public Housing Rehabilitation(2)	13		830 Rehabilitated Units	-
7. Lafayette Park	No city program established.		-	-
8. Jeff-Vander-Lou	No city program established.		-	-
<u>Outside Core</u>				
1. Washington University	\$49	\$0.9	Rehabilitation and construction of 242 units plus	-
2. Pershing- (3) Waterman	39.6 \$28	\$3.15 Unknown	Major rehabilitation and new construction involving over 2,000 units	1986
3. Del-Mar	\$9	Unknown	Not specified.	1987
4. Waterman	\$4.2	\$0.07	22 New Units 103 Rehab Units	1974

(1) Source, CMA.

(2) Plan for public housing rehabilitation now being prepared to refine and extend program in this area. These figures include some duplication with UDAG.

(3) INCLUDES FOREST VILLAGE AND KENNEDY PROJECT ASSUMED BY DEVELOPER

2. Even though monies have been spent on some of these projects, proposed expenditures of public funds appear to be very low and in fact are probably substantially understated. At the very least, various forms of financial assistance will probably be required to support rehabilitation and to enable persons with limited incomes to afford new or improved housing. Even where plans have been prepared, more effort will be required to determine what the level of public expenditure realistically must be.
3. The amount of activity projected is substantial and could make a major impact on the areas in which they are located in the relatively near future. If projected schedules are met in the core area, about 4,000 units will be built and another 2,500 units will be rehabilitated during the next seven to 10 years. Another 2,500 to 3,000 units would be built or rehabilitated in other planned projects. However, large portions of the core would not be affected by presently proposed projects, and without additional action large areas would remain vacant or only very marginally utilized.
4. The levels of building and rehabilitation proposed are likely to create a relative boom in the building and rehabilitation industry in the city. Recently, about \$7.5 million¹ has been spent on modernization and new construction annually. Proposed projects would call for expenditures to be increased to at least \$20 million each year (and, this strategy report recommends that expenditure levels be increased still higher.) Development at these levels will strain all types of resources, from management through the building trades and possibly even markets and financing. Major efforts will be needed to assure that deficiencies in such resources will not create bottlenecks that will further raise costs and aggravate problems of implementation.

St. Louis is fortunate to have the number and type of projects which it has currently underway in its core area and in other neighborhoods of the city. With reasonable success, these projects will do much to both increase and improve the housing supply and to strengthen the economy. The corridor between U.S. Highway 40 and Interstate Highway 44 will be especially benefitted. The major medical institutions and employment centers in this corridor and along Grand Avenue should also be enhanced. The improvement and rebuilding of industry along Chouteau Avenue should be encouraged. St. Louis and Washington Universities should be strengthened as sources of employment, education, and cultural service. These projects will also increase the supply of sound housing available to persons employed in the central area and in nearby business and industrial districts and strengthen the architectural and historic attractions of the city.

¹ 1976 building permit data assembled by CDA.

However, most of these projects are only in the initial stages of development. Several have been delayed by the recent recession. They have many hurdles to clear and to assure their success, they will need substantial continued public support. Several specific steps should be taken by the CDA, in cooperation with other city agencies, the mayor, and the Board of Aldermen. If necessary, these steps should be funded from CDBG resources. The result should be a definite plan and program to expedite all existing projects. The immediate steps are:

- Review, refine, and extend plans for all of the areas individually and together to assure their coordination with each other and with other city projects, (e.g.; highway, industrial, etc.) and to provide better estimates of costs and potential housing impacts.
- Develop new and more complete estimates of the resources needed to implement these projects as a basis for budgeting and to help assure the availability of money, skills, and other requirements.
- Develop capital improvement, marketing, relocation, and other programs as necessary to provide support to planned projects.
- Seek and help develop additional resources which may be needed for implementation. These may include money, public facilities and services, trained management and labor, etc. Because of the strain on existing resources, new sources should be sought to help implement these projects. Because of their great potential, economic development and tax increment financing techniques should be explored.

Needed New Efforts

Although current projects are extensive and, indeed, may strain the resources of the city, additional efforts should be initiated to help meet critical economic objectives. Two of the most important needs of the city are to (1) stimulate the creation of a new industrial/commercial job base and (2) to revitalize economic conditions (including neighborhoods) on the city's near north side. The availability of relatively large amounts of vacant land and numerous vacant buildings in areas north and west of the central business district creates an outstanding opportunity to address these two critical needs. As a result, proposals to strengthen the city's economy call for the undertaking of several major developments in this area (see reports on the economic development strategy for further information). These include:

- A major new industrial park.
- A new technical training school or institute.
- Consolidation and improvement of truck terminal operations.

- Establishment of new uses for major existing vacant or underutilized loft buildings.
- Development of improved access to the freeway system, especially for industrial traffic.
- Creation of one or more "opportunity" sites which could be used to accommodate major new industrial or commercial installations for which locations may be sought.
- Further improvement of the central business district as a location for both housing and employment and the development of strong linkages between the central core and the adjacent north side area.

In addition to these specific development needs, opportunities exist within this area to improve the major street system and perhaps to build some form of public transit system. In both cases, improvements in these areas could be used to help stimulate new commercial, industrial, and/or residential development. In fact, the combination of potentials for improvement of transportation facilities and the creation of new industrial and other employment opportunities in the area could also establish a greatly improved environment for the revitalization of housing in the area.

However, if these recommendations for economic development are to be implemented, and if the full potentials of this area are to be realized, substantial housing improvements and adjustments must be made. Steps must be taken to stabilize and strengthen the Jeff-Vander-Lou, Murphy-Blair and other nearby neighborhoods to protect them from the intrusion of the nuisances of traffic and industry. The residential areas occupied by Carr Square, Cochran Gardens, and other public housing projects must be improved and perhaps "rounded out" as in the proposed UDAG project, to ensure their stability and livability. Street systems should be planned and modified so as to minimize conflicts between traffic and residential environments. Housing must be removed from areas which are to be used to attract new business, industrial, and/or institutional activities. New housing construction should be planned to "fill-in" and support existing residential neighborhoods which remain.

The effort required is very large and complex. It must deal simultaneously with residential, industrial, commercial, and institutional land-uses, and with streets and highways, transit, and, perhaps, railroad abandonment or relocation. Money for implementation must be drawn from many sources, including various highway, transit, housing, railroad and economic development funds, and perhaps open space, recreation, and energy.² To assure adequate protection and enhancement of adjacent neighborhoods, planning must extend over at least four to five square miles and must involve numerous business and neighborhood interests.

² Estimates of investments required are provided in the economic development strategy study report.

Although it may take many years to complete, it should be possible to plan and to implement the first stages of development in this area in a relatively short time. As soon as basic decisions are made, some portions of the area could be readied for new development. The preparation of a development plan for this area should eliminate much of the uncertainty which contributes to its blight and should, thus, increase its attractiveness for new investment.

It is recommended that a major, coordinated, and comprehensive approach be taken to the planning and development of the near north side. This effort should encompass all of the area from Broadway to Grand Avenue, and from Olive to St. Louis Avenue and perhaps to Natural Bridge-Salisbury Avenue. It should be closely coordinated with work being done in adjacent and nearby areas and should build on the planning involved in the UDAG-Cochran Gardens, La Clede's Landing, Lafayette Town, and Midtown Medical Center projects. It should specifically seek ways to:

1. Determine the location, extent, and design character of the north-south connector of any major east-west streets required in this area and of connections to Interstate 70. Present plans should be reviewed and revised as necessary to assure that they do minimal damage to residential areas, help create logical land-use areas, and help to achieve economic development objectives.
2. Establish sound, defensible, residential neighborhood boundaries compatible with the need to create attractive, marketable industrial and commercial districts and to accelerate the construction and rehabilitation of housing and neighborhood improvements. Special care must be taken to support efforts to stabilize and improve the Jeff-Vander-Lou, Murphy-Blair, and other neighborhoods and the public housing projects in the area.
3. Find ways to make effective use of the area largely occupied by vacant warehouse and industrial buildings south of Delmar Boulevard. This area contains a large amount of space that might be converted to attractive new industrial, housing, and/or institutional land-use. Public actions required to stimulate and permit such conversion should be identified and initiated.
4. Find ways to use transit facilities and services to connect this area with other residential and employment areas to the west and to the downtown and, thus, help stimulate and guide new development. Both the proposed people-mover system and the suggested transit system could favorably impact this area and could be located and designed to stimulate and support new development and rehabilitation.
5. Develop plans and programs to create the new industrial, commercial, and institutional facilities which are necessary to the economic welfare of the city as well as to the rejuvenation of the north side.

This revitalization of the near north side should have a tremendous positive impact. It should produce new jobs which are badly needed to offset recent losses and to reduce unemployment. It should encourage and support neighborhood revitalization efforts throughout the north side and should complement and extend efforts to improve the central business district. It may provide key new transportation facilities. Because it is dealing with an area which is the most visible and well-known as a symbol of obsolescence and abandonment, it should also have a very strong impact upon the image and vitality of the city as a whole.

There should also be many direct benefits to housing. Public housing within the area should be stabilized and improved. Rehabilitation efforts within Jeff-Vander-Lou, in Murphy-Blair, and in other directly affected neighborhoods should be substantially advanced. Some way may be found to make residential use of some warehouse and industrial buildings near the north and west edges of the central business district, and some land would be made available for new residential development.

The scale of the effort required to advance improvements in this area will be equally large. However, as indicated previously, many different and new sources of funds should be used to implement the comprehensive improvement required. Care must be taken to avoid drawing needed resources away from critical neighborhood preservation and improvement activities elsewhere in the city. In fact, priority for the use of CDBG funds should be given to accelerating and expanding such activities, particularly in neighborhoods to the north and west. Thus, new funding sources should be sought that will increase the total capability of the city and that will permit managerial and technical skill and money to be mobilized to achieve the objectives outlined above.

Because of the multiple values to be achieved—but particularly because of the economic significance of this effort—it is recommended that much of the funding and initiative be supplied as part of the city's economic development program. Funds should be sought from sources related to planning for highways, transit, railroads, trucking, manpower, and economic development, environmental, open space and energy conservation, and comprehensive planning and development. Funds should be combined to permit a comprehensive and coordinated approach to development to be taken. Such an approach is essential to success.

Meeting Special Housing Needs

As long as people are moving about; or are being dislocated; or are old, poor, handicapped, or otherwise disadvantaged; there will be a need for housing or housing assistance to meet their special and sometimes temporary requirements. St. Louis has done much to meet this need. However, the need still exists and it is quite urgent for certain elements of the population.

No fully reliable information is available on the scale of these special housing needs. However, studies of some of the key categories of need indicate that:

- There are about 13,700 "eligible" households in the city involving persons 65 years of age or over. Of these, about two of every five are renters and the balance are homeowners. A household is deemed "eligible" when it has an income of no more than 64 percent of the median income. There are about 3,500 units of subsidized housing in the city to meet the needs of these households.³
- Over 125,000 persons under 65 years of age in the St. Louis region are handicapped to some degree, with over 20,000 having some mobility limitation.⁴ It is assumed that a significant proportion of these may have special housing requirements that are not being met, and that many of these people live in St. Louis. No further information appears to be available.
- There is an apparent demand for housing on an emergency basis to accommodate persons who are for various reasons displaced or unable to find a place to live. The precise numbers and needs of such persons are not well known.
- Waiting lists of large, low-income families for available public housing units are so large that often no new listings are accepted. There is no sure way from available data to determine what the extent and character of the demand for such units is. However, it is clear that demands exceed the supply.

These special housing needs are constantly being affected by changes in the rate of unemployment, inflation, the deterioration and abandonment of housing, shifts of population, and a host of public and private actions. However, it is fair to conclude that there are substantial unmet needs in these areas and that expanded city efforts will be required to meet them.

A major effort, programmed for undertaking in 1978, is the development of a master plan for the improvement of the city's existing public housing. This should help define fairly precisely what can and should be done with the city's existing public housing stock. Some of the city's existing "353" projects also provide for construction or rehabilitation to meet special housing needs. However, it is likely that a substantial federal subsidy will be required if any significant number of new or rehabilitated units is to be provided. Obviously, however, many poor, older, handicapped, or otherwise disadvantaged people will continue to live in the city's existing, private housing stock.

Several types of actions are required to help assure that the needs of the disadvantaged and other special population groups are being met. For example:

1. Care must be taken to avoid needless abandonment of structures. This reduces the overall supply of housing and usually affects low cost housing most severely.

³ Elderly Housing Demand Study, EWGCC, April, 1976.

⁴ *Ibid.*

This is a primary overall objective of the housing strategy that should be implemented through technical, financial, and other assistance programs. Individual neighborhood and project proposals should be required to adhere to this objective.

2. *Care must be taken to avoid needlessly increasing the cost of housing, especially housing occupied by persons who cannot afford higher costs.* If costs must be increased, suitable alternate housing must be made available or ways must be found to offset cost increases through some form of subsidy.
3. Major use should be made of available federal programs to assure that people have the resources required to obtain housing and that suitable housing is available. The "Section 8" program is the principal program now available, and the one most in accord with St. Louis' housing goals. It should be used in ways that will give persons with low incomes a wide choice of neighborhoods in which to live, and that will avoid the over-concentration of such persons in any one area. The city should make special efforts to encourage development organizations to provide units (especially rehabilitated units) which can be used under the Section 8 program. It should also work to obtain the largest possible allocation of such units to the area. Some of the specific actions which should be considered are:
 - Providing planning or other incentives to new developments and redevelopments which provide for the inclusion of an established minimum of percentage of Section 8 units.
 - Making use of the "*targeted tandem*" program to assure financing for Section 8 new and substantially rehabilitated units, and to leverage private capital for the production of middle-income, non-subsidized rental housing. Since St. Louis meets "threshold" criteria for participation in the UDAG program, it most certainly will be eligible for the targeted tandem program. One of the enticements of the tandem program is that GNMA will purchase loans from conventional lenders who provide below-market interest rate financing for specified types of housing.
 - Using the Section 8 "*set aside*" allocation in neighborhood strategy areas, to produce units for low-income large families.
 - Using *other funding programs* in conjunction with Section 8 to offer other inducements and assistance to developers and owners.
 - Expediting the rehabilitation of dilapidated dwellings, by making *LRA and other city-owned units* available to private developers at low cost for eventual Section 8 occupancy.
 - Providing special assistance in the management of Section 8 housing and in social services to Section 8 tenants.

- Providing technical assistance to *neighborhood development corporations* (see Chapter 5); so that they may become developers/managers of Section 8 units.
 - Promoting the use of Section 8 units in *Chapter 353* developments. Perhaps, 353 legislation might be redrafted to afford 353 developers additional incentives for incorporating Section 8 units into their developments.
 - Limiting the *over-concentration* of low-income units by being selective in the allocation of Section 8 units to areas in which there is a reasonable balance in population and housing types.
 - Reducing *housing costs* by:
 - Permitting greater flexibility in the use of building materials, labor, etc.
 - Eliminating regulations which generate greater costs than benefits..
 - Reducing the time required for the processing of development applications.
4. Other special housing needs should be analyzed to determine their magnitude and character and to determine what the city's role should be in meeting them. For example, the need for emergency housing should be explored and a program for meeting needs in this area should be developed. The market for smaller apartments for single persons and adult couples also should be explored to determine whether this may represent an unmet need. If it does, steps should be taken to make sure that no unnecessary obstacles lie in the way of private developers in meeting this need. For example, zoning and building codes should be reviewed to assure that they afford ample opportunity to provide the types of housing needed.

Summary

Much and possibly most of the city's efforts to improve housing must originate within communities and neighborhoods. Major improvements to housing in St. Louis can be achieved only through work on the part of many people at the local level.

However, there are several fundamental needs which must be addressed on a city-wide basis. These include the need to maintain and create jobs and economic development, the need to provide housing for persons who are poor and disadvantaged, and the need to accommodate new and changing population requirements. Many of these needs of city-wide significance are related to or can be dealt with in the "core" of the city—a large area generally extending from the Mississippi River to a line west of Grand Avenue, and from Interstate 44 to St. Louis or perhaps Natural Bridge Avenue. The city should take several major types of actions related to this area.

1. It should pull together, analyze and refine plans for all of the areas in which projects are currently underway to assure that there is a clear understanding

about what is to be accomplished and about the public commitment required to successfully execute them. Budgets and programs should be developed to assure timely action by the city so that these projects will move quickly and efficiently to achieve both economic and housing objectives. If necessary, additional funding should be sought to help implement these projects so that they will not draw resources away from the improvement of other neighborhoods.

2. The city should undertake the preparation of a comprehensive plan and improvement program for the near north side to include major new commercial and industrial development and rehabilitation of existing facilities as well as revitalization of the neighborhood. A principal purpose of this effort should be to extend the effort toward an overall revitalization of the north side initiated in the Convention Center and UDAG projects and to provide a stronger basis for advancing rehabilitation and conservation efforts in Cochran Gardens, Carr Square, Murphy-Blair, and other neighborhoods in this area. Economic objectives for the development of this area are being identified in the city's economic strategy study.
3. The city should do everything possible to expedite the effective use of the federal "Section 8" program to meet the needs of low-income families. This program should be coordinated with improvement efforts initiated at the neighborhood level and with existing 353 projects. However, regardless of actions at these levels, the city should take the initiative to assure that as many units and families as possible are qualified for Section 8 assistance.
4. The city should undertake studies to determine the magnitude and character of special housing needs and develop proposals to help meet them. The housing needs of the elderly, handicapped, displaced persons, and single persons are among those which should be examined.
5. The city should devise ways in which to use a special "work force" which might be developed to provide jobs for those who are unemployed, in housing and neighborhood rehabilitation.
6. The city should carefully review the results of the economic development strategy study and should identify additional ways in which housing and economic development activities might be beneficially coordinated. Where appropriate, city-wide economic, and social objectives should be included in the criteria being used to guide neighborhood planning and improvement.

Chapter 4

EVALUATING NEIGHBORHOOD NEEDS AND ALLOCATING RESOURCES FOR COMMUNITY DEVELOPMENT

The city-wide goals and objectives outlined in the Summary provide the key to all decisions on how funds should be allocated to neighborhoods and project proposals in St. Louis. All spending on housing and housing-related services must be directed toward achieving the city's objectives. Spending must be focused on meeting neighborhoods' needs in the most cost-effective and equitable manner possible. Based on the achievement of objectives, priorities for use of CD funds must be assigned both to neighborhoods in general and to specific programs or projects in those neighborhoods. The use of a logical and consistent system for allocating resources is an essential element in the housing strategy.

Efficient focusing of resources requires two levels of a rapid, systematic, and city-wide evaluation of neighborhood needs for further housing investment and effort by the city. Housing strategy objectives outline the priority needs and issues for the city as a whole. First, the Community Development Agency (CDA) must rank neighborhoods according to these defined needs, so as to *allocate resources to high-need, high-priority neighborhoods*. The second level requires ranking of suitable project and program proposals within each neighborhood to *allocate resources to specific proposals* within the high-priority neighborhoods. Achieving housing strategy objectives, therefore, requires two different types of evaluation: (1) evaluation of neighborhoods and (2) evaluation of project program proposals. Thus, a suitable evaluation system is a necessity for successful implementation of the housing strategy.

The evaluation system must strengthen the neighborhood-based focus of the overall housing strategy. It must allow, and even require, neighborhoods seeking CD funds to *define their own needs and priorities* within the framework of goals and objectives for the entire city. The system must place a heavy emphasis on cost-effective, *citizen-initiated proposals* to meet these self-identified needs, while still ensuring that proposals are targeted to meet specific goals and objectives. For instance, the evaluation system will need to give special treatment to areas of city-wide significance, such as the central core.

The evaluation system must be logical and consistent across all neighborhoods; open, visible, and accountable; and simple to use, yet flexible enough to expand and change as new objectives, priorities, techniques, and programs develop in the years to come. For instance, this year (Year Five of St. Louis' CD program) the system must indicate parts of the city suitable for designation as "neighborhood strategy areas." Finally, and above all else, the system must incorporate measures that implicitly build neighborhood organizational capacities and provide incentives for future neighborhood-based action—if a neighborhood merits technical assistance one year, it should move up the evaluation scale on a "ladder" of progressively more applicable programs to qualify for further neighborhood-based programs (e.g., financial assistance, facilities improvements) in future years.¹

This chapter considers the three main elements of the evaluation system required to implement the St. Louis housing strategy; the overall process of evaluating neighborhood needs and proposals, the detailed criteria used in this evaluation, and steps for implementing the evaluation process.

Evaluation Process

Seven basic steps are necessary for the city to decide on the future uses of community development resources (see Figure 4-1). To ensure consistency in implementing the housing strategy, the evaluation process is essentially the same for any kind of project, whether planned or initiated by city agencies or whether by neighborhood and citizen groups. The seven steps consist of the following:

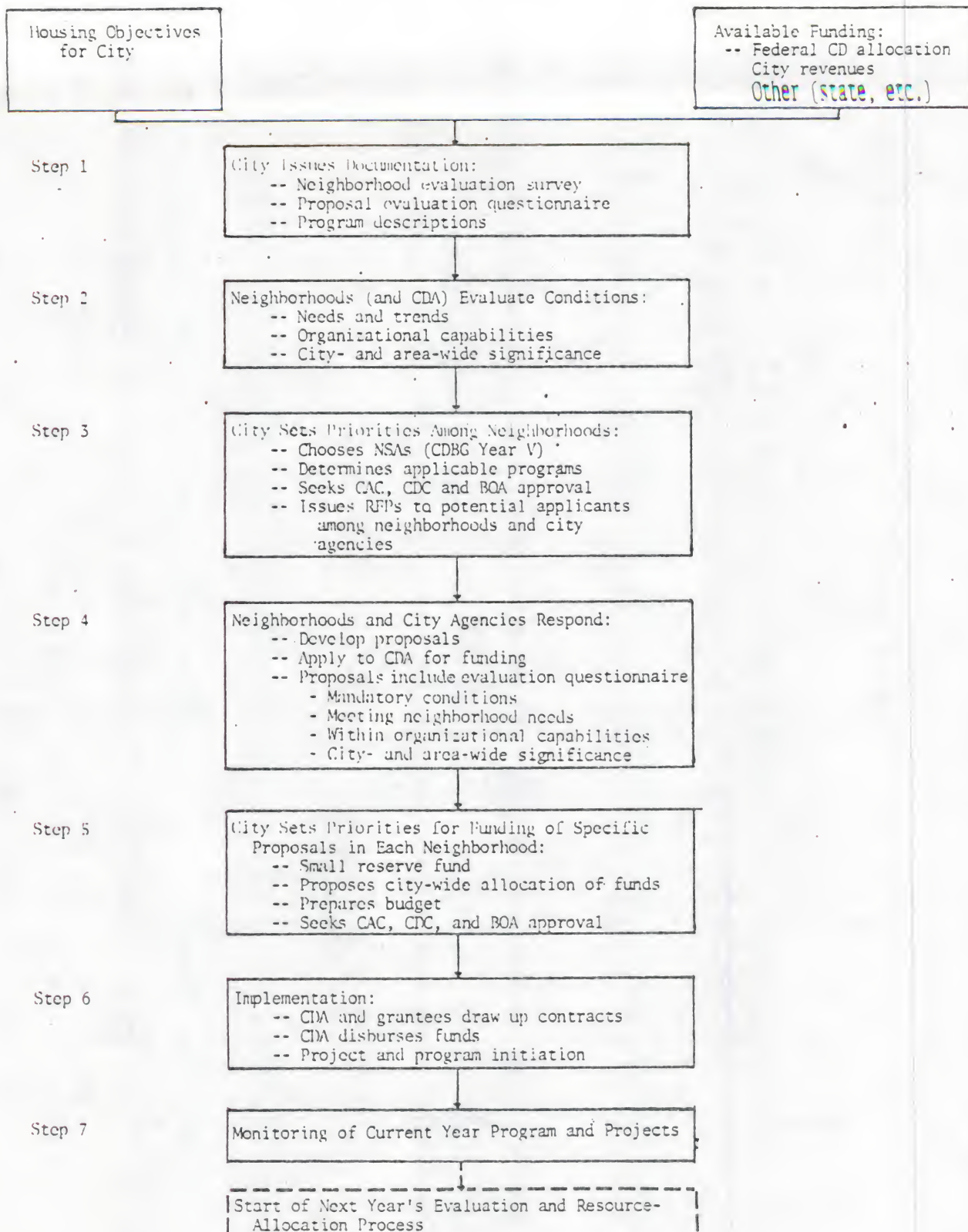
1. City issues documentation.
2. Neighborhoods (and CDA) evaluate conditions.
3. City sets priorities among neighborhoods.
4. Neighborhoods and city agencies respond.
5. City sets priorities for funding of specific proposals in each neighborhood.
6. Implementation.
7. Monitoring and program evaluation.

The overall process is shown in Figure 4-1, indicating a clear flow from step to step. Each step requires a series of actions before the process can continue, and these actions, together with their rationale, are described below.

Step 1—City Issues Documentation

The St. Louis housing objectives will determine the criteria for evaluating and prioritizing neighborhood and program or project proposals. Knowledge of

¹ The evaluation process described in this report could easily be expanded to allocate other, non-CD, resources; in fact, it could eventually guide budgeting for all resources available to the city. However, this report deals solely with initial application of evaluation to St. Louis' Community Development Block Grant funds.



AN EVALUATION PROCESS FOR ALLOCATING RESOURCES
FOR COMMUNITY DEVELOPMENT IN ST. LOUIS

Figure 4-1

Barton-Aschman Associates, Inc.

available funding will determine how stringent the evaluation using these criteria should be, i.e., where the funding cut-off will be. Accordingly, in Step 1 each year, CDA should issue a basic description of the resource allocation system together with three other documents: a neighborhood evaluation survey, a proposal evaluation checklist, and program descriptions. The neighborhood evaluation survey will indicate to neighborhood groups and residents the criteria which CDA will use in judging the eligibility and priority of each neighborhood for project and program funding. Likewise, the proposal evaluation questionnaire will indicate the criteria which will be used in judging proposals. The program descriptions will indicate to potential grant applicants the generic techniques and types of programs which are available for application in the city's neighborhoods.

Suggestions for the detailed criteria to be used in the survey and questionnaire are described later in this chapter; in general, they are directly related to the overall housing objectives.

Step 2—Neighborhoods (and CDA) Evaluate Conditions

The priorities assigned to neighborhoods for treatment, and, thus, for allocation of CD resources, will depend on three aspects of neighborhood conditions: needs and trends, organizational capabilities, and city- and area-wide significance deserving special treatment. The neighborhood evaluation survey will guide each neighborhood in a self-evaluation effort. Where necessary (it may be necessary frequently), CDA will assist neighborhood groups in undertaking this evaluation. CDA will also likely provide additional evaluation material from city-wide special surveys, the U.S. Census, and other such sources.

Incentives exist within the evaluation system for participation in Step 2 because participation will lead to the allocation of resources to the neighborhood. In those rare instances where participation will not be forthcoming, CDA may take this as a sign of lack of interest in or need for participation in the community development program. Where necessary, CDA might, itself, undertake the evaluation due to some overriding city-wide significance of the area and its problems.

As neighborhood groups become more familiar with the planning process and planning techniques, more sophisticated self-evaluations will become feasible. In particular, the production of formal district plans will aid neighborhood groups to list and evaluate needs and problems in their areas. Thus, over time, the increased sophistication of neighborhood condition surveys will allow the inclusion of new measures, beyond those described in Section 2 of this chapter.

Step 3—City Sets Priorities Among Neighborhoods

Once data is gathered for all the neighborhood surveys, CDA should rank the neighborhoods' answers to each question. The details of the ranking system are explained further later in this chapter, but the concept will allow CDA to produce a composite neighborhood rating. A high score on this rating will imply little need for allocation of funds to meet housing strategy objectives, while a low score will imply

the opposite—a great need for allocation of funds to meet the objectives. Allocation of CD funds can then correspond to the quantified overall priority of each neighborhood; for example, funds for particular types of programs should go to neighborhoods with low scores, funds for other types of programs to those with higher scores. Neighborhoods should probably be ranked in blocks or groups to avoid the direct comparisons of areas with each other on a complete rating scale.

CDA should use the neighborhood ratings in CDBG Year Five to choose "Neighborhood Strategy Areas" (NSAs). These are federally-mandated designations of highest-priority areas in the city for comprehensive treatment with special federal funds. Neighborhoods that would benefit the most from allocation of CD funds (i.e., those with low composite ratings) will likely also be those benefiting the most from designation as NSAs, and designation should proceed accordingly.

Different types of housing techniques and programs will be applicable in satisfying different types of neighborhood needs. The quantified overall priority for each neighborhood will provide a summary indication of the types of programs applicable to that neighborhood. At a more detailed scale, the answers to specific questions on the neighborhood evaluation survey will indicate which specific programs are most applicable in particular neighborhoods.

Overall, the evaluation system is similar to a growth management technique, where points are allocated according to the capability of an area to sustain development. In St. Louis, the evaluation of neighborhoods will systematically compare one neighborhood against all others in the city, in order to rate its priority for receiving treatment through allocation of CD and other funds.

After CDA has set priorities among neighborhoods (and in Year Five chosen NSAs), it will be necessary to seek Citizens' Advisory Committee and Community Development Commission review and advice, and Board of Aldermen approval for the ranking of neighborhoods. Once such approval is obtained, CDA should issue requests for proposals for funding in the forthcoming CD year to potential applicants such as neighborhoods, city-wide private organizations, and city agencies.

Neighborhood ratings on the evaluation scale (at least by block) should be disclosed in the request for proposals, together with CDA's determination of applicable programs. CDA should direct that proposals be consistent with the CD housing strategy objectives, for the way in which a proposal meets the strategy's objectives and improves a neighborhood's rating will determine its priority for funding.

CDA should set deadlines for submission of proposals to conform with the overall CD application deadline, while yet allowing sufficient time to applicants to develop adequate proposals. Although widespread distribution of request for proposals may be costly, and may stimulate an over-abundance of inadequately-documented and poorly-grounded proposals, CDA should not limit the acceptance of applications to only those neighborhoods with highest priority ratings. A mechanism should be put

into the system to allow all neighborhoods with exceptionally well-qualified proposals to apply—neighborhoods with high priorities may not be able to create technically-worthwhile proposals, or they may submit proposals for which they lack **implementation capabilities** while other neighborhoods may instead develop extremely beneficial projects.

Step 4—Neighborhoods and City Agencies Respond

Applicants seeking funds for community development projects should respond to the request for proposal from CDA, outlining the nature of the proposed program or project and the way in which it would help to achieve the objectives in the housing strategy. Proposals should be presented in the existing work program format. The expanded format should have a summary, followed by three main sections:

1. *Technical Section* with details on the program or project's purpose, end products, work flow, component tasks, and schedule.
2. *Management and Budget Section*, describing how much the proposal will cost and how the program or project will be managed.
3. *An Evaluation Section*. In this section, applicants will use the proposal evaluation questionnaire and any supplementary documentation to assess, first, the basic feasibility of the proposal in terms of a series of mandatory conditions, then the extent to which the proposal helps to meet neighborhood or city-wide needs, the extent to which the proposal is within the applicant's organizational capabilities, and, finally, the extent to which the proposal has area- or city-wide special significance and, therefore, deserves extra treatment.

Keeping staff requirements in the management of neighborhood organizations to a minimum will be essential in reducing and eliminating any potential over-bureaucratization of the evaluation system. Accordingly, while detailed changes may become necessary in the future, the proposal evaluation questionnaire suggested in this section on criteria for evaluating neighborhood needs, is likely to cover most foreseeable issues and questions. When necessary, CDA should be prepared to assist neighborhoods in performing these proposal self-evaluations because an important side benefit to the evaluation system will be an increased appreciation by neighborhood groups of the requirements reflected in the evaluation questionnaire for successful projects and programs.

Step 5—CDA Sets Priorities for Funding of Specific Proposals in Each Neighborhood

After receiving proposals from eligible applicants, CDA should evaluate their suitability for funding. Initially, this will consist of a review of the first two sections of the proposal. In addition, proposals should be checked to assure:

- Conformance with the Housing Assistance Plan and the Three-Year Strategy.

- Avoidance of overlap with other proposals or current efforts of other entities.
- The availability of money for the type of activity proposed.

Assuming that the technical, management, and budget sections are adequate, the proposal evaluation questionnaire will enable funding priorities to be set quickly and efficiently, resulting in a proposed city-wide allocation of funds to various specific projects in specific neighborhoods.

In general, high-priority proposals (as measured in Step 4) in high-priority neighborhoods (as measured in Step 3) should have the joint highest priority for funding. Where high-priority proposals originate in lower priority neighborhoods, or where lower priority proposals originate in higher priority neighborhoods, some evaluation of relative risks and benefits will be necessary.

Advice on proposed fund allocations must be sought from the Citizens' Advisory Committee and the Community Development Commission. Final approval must be given by the Board of Aldermen. Feedback from these three bodies may require that specific projects, or even the complete allocation, undergo further review by CDA, resulting in a new submission for approval.

It is likely that between initial neighborhood ratings in Step 3 and final allocation of funds in Step 5 there will be changes in neighborhood conditions. Similarly, some suitable proposals may be constructed at the last minute. Accordingly, a small reserve fund should be available for final discretionary awarding of funds to proposals that for one reason or another still merit consideration and financing, yet fall outside the purview of the regular system.

Step 6—Implementation

Once the CAC and CDC have received the allocation of funds and the BA has approved it, CDA should proceed to draw up contracts with its grantees and subsequently disburse funds. Project and program initiation should occur shortly thereafter.

Step 7—Monitoring of Current Year Programs and Projects

The seventh step should consist of grantees' and CDAs evaluation and monitoring of programs and projects, specifically of the extent to which funded proposals effectively and efficiently achieve the housing strategy's objectives. Such monitoring would help determine priorities for future spending on program or project types, specific neighborhoods, and individual organizations. This final step would feed results into the evaluation and resource allocation process for the succeeding year.

Criteria for Evaluating Neighborhood Needs and Project/Program Proposals

The evaluation process described previously requires two new types of evaluation: neighborhood condition described in Step 2 and proposal priority described in Step 4. The two evaluations require essentially the same measurements; on the one hand surveying the entire neighborhood, on the other hand evaluating the effect a proposal would have in changing conditions in a neighborhood, or in meeting important city needs. Accordingly, only fairly limited changes are necessary in the evaluation forms for Step 2 and Step 4.

Step 2—Neighborhood Evaluation Survey

Exhibit A-1 in the Appendix suggests a format and content for the neighborhood evaluation survey (NES) which CDA would distribute to neighborhood organizations. (It is assumed that for purposes of evaluation, there would be one representative group per neighborhood.) The NES requires neighborhood groups to understand the evaluation process and then concisely evaluate three aspects of neighborhood condition:

1. *Needs and Trends.* Concerning the physical, economic, and social needs of neighborhoods, and how those needs are changing, this section of the survey requests a prioritized listing of significant neighborhood problems, followed by a more factual description of those problems.
2. *Organizational Capability.* This concerns the resources, skills, and experience possessed by or available to neighborhood organizations.
3. *City-wide Significance.* This concerns the interaction between neighborhoods and adjacent areas and any special features of significance at a city-wide scale.

The NES is specifically designed to decentralize the identification of housing-related problems by systematically eliciting the perceptions and beliefs of neighborhood groups. The criteria for evaluating neighborhoods are determined by these problems. Their definition, in turn, is directly related both to the housing strategy objectives and to the techniques and programs for achieving those objectives which are, and will be, available to the city and its neighborhoods. For instance, if a neighborhood places a high priority on its present lack of technical skills to undertake revitalization activities, clearly it and CDA should consider technical assistance through the CD program as a high-priority technique to meet local needs. Likewise, if a neighborhood states that the lack of private rehabilitation activity is a major problem, the "Neighborhood Maintenance Corps" may be a suitable CD-funded program for application, as might "Rental Property Stabilization" (see Chapter 5 for further details on these and other programs).

The NES places little emphasis on hard statistical questions; gathering such supplementary information is seen as being mainly CDA's responsibility. Thus, the NES' initial role should be to develop greater and more systematic self-awareness among neighborhood groups of their area's problems and resources; and then to develop local priorities for community development programs that are consistent both with local problems and resources and with the city's housing strategy objectives. CDA's initial role should, therefore, be limited to providing technical assistance necessary to help neighborhood groups understand and complete the NES.

CDA should allocate weights to each reply for each question, thus developing a consistent scoring system to determine the *city-wide* ranking of locally-perceived needs, capabilities, and factors of special significance. The weights should directly relate to each question's significance in terms of meeting the housing strategy's objectives. For example, many questions might be of peripheral importance to the housing program alone, yet be initially important as indicators of overall neighborhood condition. Answers to questions regarding open space, schools, protective services, etc., therefore, might rate a maximum of only five points against more direct housing-related questions, which might deserve a maximum score of 10 or more points.

A high total score for a neighborhood should indicate overall good condition and relatively less need for CD-funded or other public activity. Conversely, a low score would indicate more general need for CD-funded or other public programs or projects.

Review of this draft by NES may indicate that in its present form it would require too much time and effort for completion by neighborhood groups and analysis of the results by CDA. Accordingly, as well as changing the content of questions, CDA may wish to save time and effort by deleting the "fact-gathering" (second) portion of Part A, and instead rely solely on CDA's own supplementary quantitative analyses. However, it is felt that the detailed questions in Part A will likely provide very useful information in addition to that which would be available from the list of problems and priorities alone.

Once technical assistance from CDA enables neighborhoods to develop increased planning capabilities (especially in surveying and analysis), CDA should expand the NES to cover more "hard" data questions simultaneously, reducing the agency's role as primary gatherer of statistics. In future years, the NES may, therefore, move away from the present qualitative questionnaire format and, instead, change to a more statistically-based diagnostic tool.

Step 4—Proposal Evaluation Questionnaire

Exhibit A-2 in the Appendix suggests a format and content for the proposed evaluation questionnaire (PEQ) whose completion CDA would request as part of an

application for CD funding.² Review of a proposal's technical and management and budget sections should inform CDA of a program's or project's basic suitability for consideration. The PEQ would then help in systematically setting priorities among proposals, according to four aspects of proposal suitability:

I. *Mandatory Conditions*, which must, except in special cases, be met before a project can be funded.

II. *Priority-setting Issues*:

A. *Meeting Needs*. This concerns how well the proposal meets the physical, economic, and social needs of the neighborhood.

B. *Organizational Capability*. This concerns whether the proposal is consistent with the resources, skills, and experience possessed by or available to the project sponsor.

C. *City-wide Significance*. This concerns whether the proposal addresses issues and needs of city-wide significance.

Section I clearly places the onus on applicants for proving that any special conditions apply. Otherwise Section I should require simply confirming that the checklist's conditions have been met.

Section II relates program or project proposals back to the statements of local needs, priorities, organizational capabilities, and city-wide significance contained in the NES. Do proposals actually meet local needs? (Needs are defined in the same terms as in the NES.) Are proposals within the sponsoring organization's capability? Do proposals have extra significance because they address city-wide issues and needs?

The detailed criteria for evaluating Parts A, B, and C are, as in the NES, directly related to the housing strategy's objectives, and to the battery of available programs for achieving those objectives. As with the NES, CDA should use a scoring system to systematically allocate points to each answer, but with more discretion being necessary for coping with qualitative answers. Weights would again reflect the importance of each question in terms of meeting the housing strategy's objectives. A high total score for a proposal would indicate it is a prior high priority for funding; its final priority would be based on comparison and ranking of its score with all other proposals evaluation scores.

² As with the whole evaluation process for allocating resources for community development, the PEQ might be applicable far beyond the limits of CDBG funding, to all other CDA programs, and eventually, in modified form, to all city spending.

Summary

Achieving the housing strategy's objectives requires focusing of efforts through assignment of priorities for use of St. Louis' CDBG funds, both to neighborhoods in general and to specific programs and projects in high-priority neighborhoods. A system for evaluating neighborhood conditions and program or project proposals is, therefore, a necessity for successful implementation of the strategy. The system must be neighborhood-based, enabling neighborhoods to define their own needs and priorities, and ways of meeting those needs.³ The evaluation system must also provide neighborhoods with major incentives to undertake revitalization activities.

The proposed evaluation process contains seven steps involving action by CDA, neighborhood groups, city-wide private organizations, and public agencies seeking CD funds:

1. CDA issues documentation.
2. Neighborhoods (and CDA) evaluate conditions.
3. CDA sets priorities among neighborhoods.
4. Neighborhoods and city agencies respond.
5. CDA sets priorities for funding of specific proposals in each neighborhood.
6. Implementation.
7. Monitoring.

The proposed neighborhood evaluation survey asks neighborhood groups to identify, in conjunction with parallel CDA efforts, three aspects of neighborhood condition:

- Needs and trends.
- Organizational capabilities.
- City and area-wide significance.

The survey's evaluation criteria directly relate to the housing strategy's objectives, thus targeting neighborhoods' perceptions of conditions and needs for activities to *achieve* the objectives.

Priorities among neighborhoods would be based on findings from the survey and on CDA's research, and after the ranking of neighborhoods is approved, CDA would issue requests for proposals for funding in the forthcoming CDBG year.

CDA's evaluation of, and setting priorities among, program and project proposals would review each proposal's *technical, management and budget*, and *evaluation* sections. The latter would contain details of how a proposal would pass specified mandatory conditions (or would nevertheless still deserve CD funding), how it would meet the needs expressed in the neighborhood evaluation process, how it would lie within the sponsoring organization's capabilities, and whether it would address issues and needs of city-wide significance.

³ CDBG Year Five, and possibly beyond, the system must also help designate "neighborhood strategy areas."

With this evaluation system, the city will be able to more equitably, consistently, and quickly review funding proposals and allocate funds. In addition, the system incorporates maximum opportunity for citizen involvement. The expected major result from implementation of this system is the rapid improvement of neighborhoods, in a manner consistent with residents needs and desires.

Chapter 5

TECHNIQUES, RESOURCES, ABILITIES, AND POTENTIALS

To implement a housing improvement strategy, a city must prudently allocate resources and possess a variety of abilities. This chapter identifies the current state of those resources and abilities in St. Louis and presents suggestions for improving them. Included is a description of generic "techniques" which enhance numerous housing and neighborhood improvement "programs." It is proposed that these techniques serve as a working vocabulary to be used by neighborhood and city agency personnel to relate treatments to needs and problems. Next, the relationship of the techniques to types of neighborhood needs is explained and the city's existing housing program is assessed. Suggestions pertaining to new programs (and adaptations of existing programs) with potential applicability for St. Louis are made. Last, the abilities and capacities necessary to implement the housing strategy and to utilize the recommended programs and techniques are discussed.

An Assessment of the Existing Housing Program

CDBG Overview

Since the enactment of the Housing and Community Development Act of 1974, St. Louis has designated Community Development Block Grant (CDBG) funds specifically for housing and housing-related activities. In addition, other public monies have been devoted to housing maintenance and improvement (e.g., St. Louis Housing Authority, Missouri Housing Development Commission). It is the purpose of this section to describe the nature and extent of the existing St. Louis housing program. Because since 1975 the principal funding source for public sector housing improvement has been CDBG funds, only public programs funded through such grants are described.

St. Louis has allocated CDBG funds to seven principal program categories, which are:

- *Social Services*, including mainly direct assistance to individuals and families.
- *Redevelopment*, including designated public and private redevelopment projects which often also include 353 projects.
- *Housing*, including programs geared toward the direct production, maintenance, improvement, and financing of dwellings.
- *Neighborhood Betterment*, including principally improvements to public facilities and the provision of certain types of sanitation and other services to property.
- *Economic Development*, including redevelopment and other projects designed to create jobs and an improved tax base.
- *Historic Preservation*, which includes efforts to generate interest and investment in historic preservation and restoration.
- *Administration*, which includes overall administration and planning.

During years one through three, about one-third of all CDBG monies allocated have been designated for redevelopment and another third for neighborhood betterment. Most of the remaining third has been allocated to social services (15 percent) and housing (nine percent), with minor amounts to economic development (three percent), historic preservation (0.3 percent), and administration (four percent). Table 5-1 provides information on the allocation of CDBG funds to the seven major CD categories for years one through three.

Allocations have changed somewhat from year to year. For example, the budget for social services declined from 27.4 percent in year one to 8.3 percent in year three. The assignment to redevelopment has remained fairly constant at about 34 percent. Neighborhood betterment has claimed a growing portion of program funds, from 22 percent in year one to 44 percent in year three. Housing has declined from about 11 percent in year one to just over six percent in year three. Allocations for *redevelopment* (\$15 million) have gone to some 10 projects, with two projects (DeSoto-Carr and LaSalle Park) claiming most (\$11 million) of the funds allocated.

Of all CDBG funds allocated during years one through three, Program Districts 8 and 14 have been the principal funding recipients. Not coincidentally, these two districts are the location of past urban renewal efforts and existing public housing development. Table 5-2 provides information about the distribution of CDBG "area-specific" funds for program years one, two, and three. This data can be correlated to information in Table 5-3, which indicates the extent of private residential investment in the city. Data in both tables is provided on a "program district" basis; Figure 5-1 identifies the boundaries of St. Louis' 18 program districts.

Table 5-1
CDBG FUNDS ALLOCATED AND ENCUMBERED, BY MAJOR CATEGORY, YEARS ONE TO THREE (1975-1977)

Category	Year One Allocation/ Percent of Total	Year Two Allocation/ Percent of Total	Year Three Allocation/ Percent of Total	Three-year Total Allocation/ Percent of Total
Social Services	\$ 3,686,124 27.4%	\$ 1,435,612 10.7%	\$ 1,390,991 8.3%	\$ 6,512,727 14.9%
Redevelopment	4,705,622 34.9%	4,365,524 32.6%	5,779,335 34.3%	14,850,481 34.0%
Housing	1,446,000 10.7%	1,614,125 12.0%	1,019,052 6.1%	4,079,177 9.3%
Neighborhood Betterment	2,910,347 21.6%	4,965,799 37.1%	7,362,329 43.7%	15,238,475 34.9%
Economic Development	457,000 3.4%	450,000 3.4%	510,672 3.0%	1,417,672 3.2%
Historic Preservation	56,202 0.4%	50,650 0.4%	21,708 0.1%	128,560 0.3%
Administration	211,844 1.6%	507,008 3.8%	1,026,073 6.1%	1,744,925 4.0%
Unspecified Account	--	--	(-280,017) N.A.	(-280,017) (-0.6%)
Total:	\$13,473,139 100.0%	\$13,388,718 100.0%	\$16,850,143 100.0%	\$43,692,000 100.0%

Note: Allocations include "rollover" funds.

Source: St. Louis Community Development Agency, "Comptroller's Monthly Block Grant Report," October, 1977.

Table 5-2
APPROXIMATE DISTRIBUTION OF AREA - SPECIFIC CD ALLOCATIONS

Program District Number	Year One (1975)	Year Two (1976)	Year Three (1977)	Three Year Total	CD Investment Per Capita 1975-1977	Percent of City-wide Area Specific Allocation
1	\$ 38,500	\$ 445,089	\$ 280,000	\$ 763,089	\$ 23.18	1.9%
2	-	114,284	495,000	609,284	16.26	1.5
3	-	148,135	155,000	303,135	8.62	0.8
4	100,000	104,073	122,000	326,073	9.56	0.8
5	566,000	620,248	444,000	1,630,248	82.03	4.1
6	241,000	447,974	358,000	1,046,974	32.98	2.6
7	466,000	606,981	360,000	1,432,981	28.00	3.6
8	2,070,000	2,337,991	1,720,000	6,127,991	466.01	15.4
9	100,000	191,468	352,000	643,468	152.77	1.6
10	223,000	413,197	588,000	1,224,197	45.30	3.1
11	637,000	1,180,871	1,864,300	3,682,171	92.11	9.3
12	1,241,000	548,121	432,000	2,221,121	38.76	5.6
13	190,000	610,249	494,000	1,294,249	21.59	3.3
14	6,946,000	4,419,296	3,142,000	14,507,299	405.23	36.5
15	374,000	260,502	131,700	766,202	286.43	1.9
16	203,000	426,613	463,000	1,092,613	25.91	2.8
17	241,000	410,028	440,900	1,091,928	40.26	2.8
18	203,000	401,032	332,000	942,032	49.32	2.4
Total	\$13,839,000	\$13,692,155	\$12,173,900	\$39,705,055	\$ 69.54	100.0%

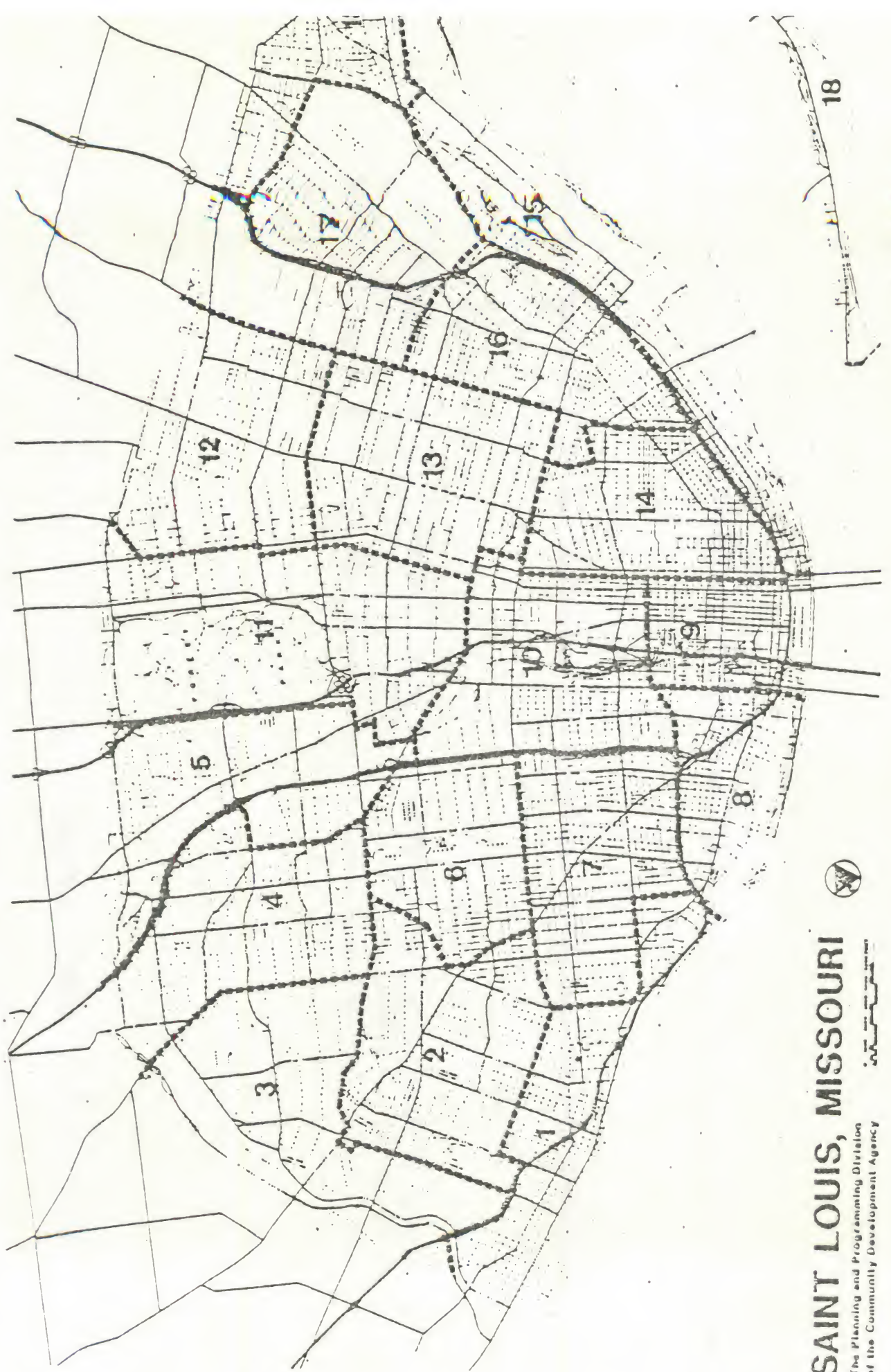
Source: St. Louis Community Development Agency

Table S-3
1976 RESIDENTIAL INVESTMENT SUMMARY

A		B		C		D		E		F		G		H		I	
Program District Number	1976 Total Residential Improvements	1976 Average Residential Improvement	Total 1976 District Improvements (Residential/Non-Residential)	1975 Population (Estimates)	Residential Improvement Cost		Total Improvement Cost Per Capita	Dollar Volume of Residential Loans (1976)	Total Private Residential Investment 1976		Private Residential Investment Per Capita						
					Per Capita	Cost			Per Capita	Investment							
1	\$ 140,782	\$ 1,051	\$ 457,196	32,925	\$ 4.28	\$	\$ 13.86	\$ 14,222,241	\$ 14,363,023	\$	\$ 436.23						
2	310,667	1,432	769,147	37,475	8.29		20.52	9,310,914	9,621,581		256.75						
3	326,197	1,599	490,147	35,150	9.28		13.94	11,956,292	12,282,489		349.43						
4	252,292	1,335	486,154	34,100	7.40		14.26	7,894,818	8,147,110		238.42						
5	146,964	1,185	720,871	19,875	7.39		36.25	5,268,491	5,415,455		272.48						
6	96,185	867	229,375	31,750	3.03		7.22	5,512,826	5,609,011		176.66						
7	166,644	1,111	7,028,716	51,175	3.26		137.35	4,679,245	4,845,889		94.69						
8	261,133	7,254	3,709,513	13,150	19.86		282.09	573,365	834,498		63.46						
9	3,227,400	645,480	10,215,025	4,212	766.24		2,425.22	776,913	3,998,313		949.27						
10	139,199	2,900	7,680,716	27,025	5.15		284.21	5,869,009	6,008,208		222.32						
11	1,105,673	8,638	7,309,564	39,975	27.66		182.85	10,226,249	11,331,922		283.48						
12	769,473	5,029	1,033,033	57,308	13.43		18.03	4,711,652	5,418,125		94.54						
13	179,281	1,164	405,630	59,950	2.99		6.77	1,396,002	1,575,283		26.28						
14	125,672	2,205	401,607	35,800	3.51		11.22	809,063	934,735		26.11						
15	23,199	2,900	1,717,174	2,675	8.67		641.93	129,200	152,399		56.98						
16	173,189	1,229	264,199	42,175	4.11		6.26	1,947,079	2,120,268		50.27						
17	155,240	1,242	783,564	27,125	5.72		28.89	3,088,547	3,243,787		119.59						
18	67,014	964	168,439	19,100	3.51		8.82	5,648,449	5,715,463		299.24						
Total	\$ 7,666,204	\$ 3,731	\$43,869,560	570,945	\$ 13.43	\$	\$ 76.84	\$ 94,014,355	\$101,680,559	\$	\$ 178.09						

Sources: CDA, *Property Management Subsystem*, Calendar Year 1976.

Population Estimates: CDA, "Community Development Needs Analysis," by Program District



When correlating data in the two tables (cautioning that data in Table 5-3 is for a one-year period only), it is interesting to observe that CD investment has occurred primarily in areas lacking private investment. Thus, the allocation of area specific CDBG funds during the three program years has—in terms of geography—been consistent with local needs. CDBG funds have been deployed to fill the void created by a lack of private neighborhood investment. However, there is no evidence that as yet they have been effective in leveraging private investment.

Housing Activities

CDBG allocations specifically for *housing* (\$4 million plus) have gone to some 10 programs or activities. Over 73 percent of allocations in this area have gone to public housing modernization. Loan programs, mainly initiated in 1977, account for most of the balance of the housing allocation (\$800,000 allocated).

Programs in the CDBG housing category which were initiated in years one, two, or three of the CD program include:

- *Public Housing Modernization* (73.5 percent of allocations in years one through three): A program used to modernize existing public housing; interior and exterior renovation and landscaping are the types of improvements permitted. Public housing developments involved in the program include: Clinton-Peabody, Carr Square, Cochran, Darst, Webbe, Vaughn, and Blumeyer.
- *Loan Programs* (19.1 percent allocations in years one through three): Various loan guarantee programs for use in supplying rehabilitation funds in areas of concentrated physical development activities).
- *Neighborhood Housing Services* (2.4 percent of allocations in years one through three): A program in which a high-risk revolving loan fund and housing counseling services are offered to residents of a "demonstration" area. In St. Louis, the demonstration area is bounded by Gravois on the north, Arsenal on the south, between Jefferson and 12th Streets.
- *Neighborhood Marketing Services, Inc.* (2.0 percent of allocations in years one through three): A program which funds an organization to work with neighborhood organizations to market, promote, buy and sell properties.
- *Walnut Park/Mark Twain Resettlement* (0.7 percent of allocations in years one through three): An activity which provides funds for marketing the Walnut Park/Mark Twain area, for boarding and securing vacant structures in the area, and for purchasing and rehabilitating selected units in the area (quite limited; one or two units a year).
- *Greater Ville Health and Safety* (0.5 percent of allocations in years one through three): A program geared toward improving the health and safety of the living environment of elderly Greater Ville residents by repairing and/or removing hazardous conditions.

- *North Park Handyman Services* (0.1 percent of allocations in years one through three): In this program, minor home repair services are provided to elderly residents in the North Park community.
- *Other Programs* (1.7 percent of allocations in years one through three): The "Soulard Expansion" program, "Child Care Services," program, and "Elderly Housing Services" program comprise the remaining, minor, years one through three housing activities.

Most of the city's CDBG-funded housing effort has been devoted to improving public housing. This activity has been performed on a grant basis, with no leveraging of private capital. The only other significant housing category expenditure has been in financial assistance for rehabilitation loans. During years one through three, little effort (in terms of funding) has been made in providing technical assistance to neighborhoods. However, some CDA staff assistance has been provided.

Recognizing that the results of CDBG-funded housing programs principally benefited public housing during program years one through three, the Board of Aldermen decided that housing improvement was needed on a much broader scale and on many different fronts. To accomplish this, a tenfold increase in community development housing allocations for year four was authorized. The increase in the housing category also reflected the city's desire to develop programs which would assure that CDBG money was being spent to *actually improve housing*. There were many comments criticizing that CDBG funds (particularly in the redevelopment and neighborhood betterment categories) were being spent on non-housing improvements, such as street paving, which only benefited residents in a very indirect way. The substantial increase in the housing category allocation was intended to remedy this. Table 5-4 provides information on proposed year four CDBG allocations.

Both the Community Development Agency staff and a special "Housing Task Force" developed a program for distributing the more than \$11 million in the year four housing category. As proposed, the housing program's emphasis will be considerably broadened. While public housing improvements will still command a large amount of CDBG funding (more than in any preceding program year), the increased allocation will permit expenditures for heretofore unfunded technical assistance (capacity building), and financial assistance programs.

In addition, the Task Force/CDA recommendation will place increased emphasis on the leveraging of funds and adherence to housing strategy goals and objectives (especially the development of neighborhood technical and management capabilities).

While the course charted in the 1978 CDBG housing program is a positive move toward improving neighborhoods on many fronts (public housing, technical assistance, and financial assistance), it will still be necessary for the city to expand its program and resources. In the subsequent section, five areas of housing treatment expansion are proposed to supplement the three in which actions have been initiated. The eight "techniques" discussed form the nucleus of St. Louis' neighborhood improvement program resources.

Table 5-4
1978 ST. LOUIS COMMUNITY DEVELOPMENT PROGRAM

Category	1978 Requested Allocation	Percent of Total	1975-1977 (Years One-Three) Allocation	Percent of Total	1975-1978 (Years One-Four) Allocation	Percent of Total
Social Services	\$ 2,838,000	8.2%	\$ 6,512,727	14.9%	\$ 9,350,727	12.0%
Redevelopment	4,691,000	13.6	14,850,481	34.0	19,541,481	25.0
Housing	11,273,000	32.7	4,079,177	9.3	15,352,177	19.6
Neighborhood Betterment	10,823,000	31.3	15,238,475	34.9	26,061,475	33.3
Economic Develop- ment	3,343,000	9.7	1,417,672	3.2	4,760,672	6.1
Historic Preser- vation	157,000	0.5	128,560	0.3	285,560	0.4
Administration	1,400,000	4.0	1,744,925	4.0	3,144,925	4.0
Unspecified Account	--	--	<u>(-280,017)</u>	<u>(-0.6)</u>	<u>(-280,017)</u>	<u>(-0.4)</u>
Total:	\$34,525,000 ⁽¹⁾	100.0%	\$43,692,000	100.0%	\$78,217,000	100.0%

(1) Approximately \$1,625,000 has been cut from the pending Community Development Block Grant application by HUD (yielding a total request of \$32,900,000). At this time, it is uncertain as to which programs will be affected by the reduction.

Source: St. Louis Community Development Agency, "Community Development Block Grant Application for 1978 Funding," October, 1977.

Techniques for Housing Improvement

Each neighborhood in St. Louis has a unique history and is at a unique point in the development process. While two neighborhoods may have a common problem, it is likely that the evolution of the problem differed significantly enough to negate the use of the same corrective measures in both places. It is, therefore, necessary to devise a city-wide housing strategy which represents a unified and cohesive approach to improvement, but which is sufficiently flexible to accommodate the diverse requirements of the city's many neighborhoods. Likewise, the techniques used to combat housing deterioration and improve neighborhoods must, in sum, represent a coordinated whole, but the whole must be divisible into parts which are adaptable to a specific neighborhood's needs.

For St. Louis, eight generic "techniques" comprise the whole. Each technique or "tool" can be defined in terms of its prospective applicability to a "type" or "part" of a neighborhood. Specific "programs" which are a part of the technique can also be identified. To be responsive to local needs, each neighborhood will need to scan the techniques selectively, choose a combination of programs, and devise an appropriate strategy. It is unlikely that any two neighborhoods can make use of an identical strategy, but each neighborhood will need to employ a strategy which is consistent with city-wide housing goals and objectives and which uses appropriate parts of the eight techniques. The eight techniques include:

- Public regulation, policy, and control.
- Public facilities improvement.
- Technical assistance.
- Social services and assistance.
- Land acquisition.
- Financial assistance.
- Public provision of housing.
- Program packaging.

These techniques are intended to comprise the "language" by which neighborhoods and the Community Development Agency (CDA) communicate. It is expected that while "programs" tend to change periodically, the range of techniques available will remain fairly constant. It is suggested that neighborhood leaders think in terms of "techniques" rather than "programs." When a need or problem is identified by the neighborhood, a technique (or set of techniques) should be concurrently cited as a prospective ameliorative measure. The neighborhood then should seek technical assistance from CDA in selecting specific programs tailored to its needs.

Descriptions of each technique follow. As each neighborhood's strategy is formulated, specific programs—relating to the selected technique(s)—will need to be developed which are tailored to local requirements.

Technique: Public Regulation, Policy, and Control

Public policies and regulations can have substantial bearing on housing activities and markets. Code enforcement practices, for example, may prompt neighborhood maintenance and stability or may spur redlining and abandonment. Prudent decision-making at the municipal level can have a tremendous influence in bettering neighborhoods. For example, the decision of the city to apply "concentrated code enforcement" to the Central West End has (coupled with other programs) improved the quality of that neighborhood, abated deterioration, and created a significantly increased demand for housing. Likewise, property values have appreciated rapidly in the Central West End.

Applying several progressive public policies simultaneously to a specific area (program packaging) can have an even greater impact. Zoning incentives, public infrastructure investment, deployment of necessary decentralized social services, and prudent building inspection and code enforcement, when concurrently applied, may spur a tremendous demand for housing. Conversely, if these actions are introduced in the wrong location, they may stimulate further decline.

Public policies must be manipulated by neighborhoods and the city in a manner which will *guide* and *structure* improvement, rather than merely *react* to private or local initiative. Normally, this will mean that public policies be manipulated in conjunction with other techniques. The "353 corporation" concept is, in fact, a combination of several tools. Tax abatement (a manipulation of public policy) works in concert with eminent domain (land acquisition tool) and public improvement commitments (a public facilities improvement tool) to revitalize a target area.

It is this type of approach to policy manipulation which is recommended. Increasing permitted residential zoning densities in the vicinity of a relatively high density 353 development may create a positive "domino effect," with block-by-block improvements the result. Conversely, applying increased residential zoning densities as an incentive for development in an area where no strong housing market exists (but older, deteriorating multi-family buildings do) may promulgate further decline. The increased permitted (but unmarketable) density may result in appreciated land valuations which promote abandonment (if the property owner cannot or will not pay the taxes). It is, therefore, imperative that caution be exercised in the manipulation of public policies. All prospective consequences of a public action must be weighed by both the city and affected neighborhood before determining its applicability in a specific situation.

Specific component programs and activities which are part of the public policy manipulation tool are, at some time, of utility to all neighborhoods. For example, all land is zoned within the city and most property is subjected to systematic or concentrated code enforcement on a periodic basis. Public policies may be classified as *routine* or *extraordinary*. Both conventional zoning and systematic code enforcement might be considered to be routine, while tax abatement, concentrated code enforcement, and use of zoning incentives might be categorized as extraordinary. It is the prudent manipulation of the extraordinary policies, and the effective administration of routine policies, which has the greatest utility to housing improvement.

Types of programs and activities which are a part of this technique include zoning and subdivision regulations, code enforcement practices, housing, building, health and sanitation codes, tax abatement, etc.

St. Louis has attempted to keep its public regulations, policies, and controls current. The zoning code is now being updated, and code enforcement practices are constantly being reviewed and modified. It may be productive for the city to decentralize some of the administration of these controls. Zoning, subdivision, code enforcement, etc., are among those which might be more effective if partially administered locally.

Technique: Public Facilities Improvement

Public facilities include subsurface utilities (sewer and waterlines), streets, transit, schools, service buildings (police and fire), parks, and ancillary equipment. Direct investments in public facilities may be all that is necessary to maintain a neighborhood's stability. Conversely, in the more deteriorated neighborhoods of St. Louis, infrastructure improvements—*independent of other techniques*—may have little influence on improving living conditions. As a technique, facilities or infrastructure improvement is of greatest value when used to leverage other techniques and programs or when used as a stimulus for private investment. If, for example, schools are improved and storm sewers are rebuilt in an area where poor schools and inadequate drainage are identified as the two critical problems, private investment will likely follow.

Routine infrastructure maintenance and investment is necessary on a city-wide basis. However, as with public regulations, policies, and controls, *extraordinary* public investment in the infrastructure—if properly applied in a defined geographic area—can act as an incentive to neighborhood redevelopment. If the city maintains its "turf," it can reasonably expect property owners to do the same; on the other hand, poor facilities maintenance or no maintenance may expedite and aggravate decline.

With finite fiscal resources available, investments in public facilities should be made primarily in two instances: (1) to maintain sound facilities components (*routine*) and (2) to stimulate or complement private investment in declining neighborhoods where value can be salvaged (*extraordinary*). The city should develop a program which distinguishes improvement of public facilities in these two situations.

Technique: Technical Assistance

A neighborhood or branch of city government which desires to be, or is, responsible for the administration of a specific program or activity, must have the requisite management capacities. Technical assistance is the "capacity building" tool. While in theory a given program might be most appropriately and effectively decentralized and administered on a local basis, the prospective local administra-

tive unit may lack required management capabilities. Such capabilities must be acquired before the responsibility for program operation is delegated by the city.

Training is provided through technical assistance. Usually, either monies or staff time (from an appropriate and competent agency) are made available to prospective local administrative units ("soft" funding). Once capacities are developed, the unit becomes eligible for administering "hard" funding programs (e.g., land acquisition, financial assistance).

Needs identification, goals and objectives development, management and accounting skills, and operations planning and public relations are all part of technical assistance programs.

Technical assistance programs are most useful in neighborhoods which desire to solve problems internally, but which have not yet developed necessary skills. It is critical that technical assistance funds be given only to neighborhood groups or units which are truly representative of, and accountable to, an area's residents. As opposed to public regulation, policy, and control and public facilities investment, technical assistance is not divisible into "routine" and "extraordinary" categories. The use of a technical assistance program in a given community will normally imply that an extraordinary or special need exists, and that the need might be best addressed by local people.

Technical assistance should be used as an incentive. An industrious community group, which lacks technical and administrative competency, will accept "soft" funding and training if "hard" funding is likely to follow such instruction.

In St. Louis, refinement and improvement of technical assistance programs and activities is a major need. Possible ways of bettering the effectiveness of technical assistance are presented in the section "new programs and ideas with applicability for St. Louis."

Technique: Social Services and Assistance

Social services and assistance comprise a group of programs and activities which are intended to improve the non-physical portion of life-style and environment. Manpower services and training, health services, educational assistance, and related types of social assistance are included in this category. With regard to housing improvement, social assistance can (a) provide an individual with the capacity to afford housing (through employment services and training), (b) disseminate information regarding housing opportunities (counseling programs, relocation information, etc.), (c) provide education regarding the basic tools necessary to maintain a housing unit (budget management, housekeeping, sanitation, etc.), and (d) assist residents with problems which, if unsatisfied, would detrimentally affect housing (health problems, educational problems, related financial problems).

While social services, per se, can be used in conjunction with other techniques, it is likely that the only other tool with which social services will have a strong direct relationship is public housing. In the case of public housing, it is frequently necessary to coordinate the actual occupancy of a dwelling unit with a battery of social services.

Generally, social services and assistance are applicable in neighborhoods which possess a population incapable of affording standard housing or unable to maintain housing. It is in these neighborhoods that social services can have the greatest positive impact on stabilizing and/or improving the housing stock. Also, it may be necessary to deploy social services, on a selective basis, to neighborhoods which are beginning to show signs of decay and neglect. In such areas, social service information normally should be coordinated with financial assistance information.

Technique: Land Acquisition

In certain instances, the acquisition of land by a public agency is a prerequisite to housing and neighborhood improvement. Situations where this is true include (1) when land must be provided as an incentive for private sector investment, (2) when the public sector either intends to develop housing or demolish unsafe structures, and (3) when sound but vacant or abandoned structures are decaying and, hence, accelerating neighborhood decline.

In St. Louis, the Land Reutilization Authority (LRA) and Land Clearance Redevelopment Authority (LCRA) are the two primary city agencies involved in property acquisition for residential purposes.

LRA acquires land by bringing suit in circuit court for foreclosure on properties which are tax delinquent (and often abandoned). Once brought to court, four actions are possible (1) if the owner pays back taxes within six months, the suit is dropped; (2) if the delinquency continues, the property is offered for sale at auction; (3) if at auction anyone bids at least the amount of delinquent tax and penalties, the purchase offer is accepted; or (4) if no adequate bid is made, LRA retains ownership and may sell the property with a clear title. LRA sites, after acquisition, may be sold for private use, put to public use (public housing, park, school, etc.), or "boarded and secured" pending a market for a private or public use. LRA-owned buildings are normally structurally sound and are located on either a sporadic or a concentrated basis. The Missouri "Land Reutilization Law" (92.700 to 92.290 of Missouri Revised Statutes) provides the legal apparatus in which LRA operates.

LCRA is the St. Louis agency which was established subject to the state "Land Clearance for Redevelopment Law" (Chapter 99, Missouri Revised Statutes). LCRA is empowered to acquire and clear land and then sell it to developers (even at a loss) in conjunction with large-scale urban renewal projects (e.g., Mill Creek Valley, the Kosciusko area). Blighted areas (concentrated), with prevalent unsafe and unsanitary conditions are eligible for LCRA acquisition. Plans for renewal, with which LCRA must comply, must be approved by the Board of Aldermen. LCRA's acquisition authority stems from the city's power of eminent domain.

Another city agency involved in land acquisition is the Planned Industrial Expansion Authority (PIE). PIE procures vacant and underutilized sites which can be put to economic (commercial or industrial) use.

A final method for acquisition of land is through Chapter 353 of the Missouri Revised Statutes (also City Ordinances 49583 and 46474). This law, entitled "Missouri Urban Redevelopment Corporation Law," enables private investors and developers to acquire land using the city's eminent domain powers. Other incentives (tax abatement) also accrue to the private sector when using Chapter 353. Chapter 353 has been significant in stimulating private sector redevelopment of declining and blighted areas (see the section of this chapter titled, "New Programs with Applicability for St. Louis" for a more detailed discussion of Chapter 353).

Land acquisition by the public sector is necessary in the most blighted areas (with subsequent demolition of unsafe or unsanitary structures), with redevelopment or renewal to follow. In areas where structural neglect is beginning to appear and sporadic abandonment is beginning to occur, land acquisition can be a useful stabilization tool—further decline can be abated. In either instance, land acquisition is considered an extraordinary remedy, employed only when the private sector is ineffective at, or unwilling to, maintain neighborhoods and housing.

The land acquisition technique should only be used in St. Louis when it complements use of other techniques. If the acquisition of land occurs independently of other tools, generally no useful purpose is served.

Technique: Financial Assistance

The financial assistance tool encompasses hundreds of programs which provide direct funding to, or underwrite private funding in, cities and neighborhoods. Most conventional HUD and FHA grant, loan, and guarantee programs fall into the financial assistance category. In order to facilitate administration and accountability, a central source—usually a municipality—is the applicant for and recipient of financial assistance. That central source may allocate funds to needy and capable neighborhoods for worthwhile activities.

Each recipient or sub-recipient of financial assistance must possess the capability necessary to "get the money spent" for its designated purpose. Normally, a neighborhood which receives financial assistance first must obtain adequate administrative capability (through technical assistance).

Almost every neighborhood in St. Louis has at sometime received, directly or indirectly, financial assistance. In addition to housing subsidy, rehabilitation, and assistance programs, mortgage guarantee programs are a part of financial assistance. Thus, all St. Louis neighborhoods receive financial assistance in some form. Residents of stable areas receive mortgage guarantees and, sometimes, loans. In declining areas, a full range of rehabilitation, loan, and subsidy programs may be applicable.

Financial assistance programs should be used when the agency or neighborhood responsible for program administration possesses the required management capabilities. To determine which neighborhoods and agencies are most able to administer financial assistance programs, the city should study local capabilities of each. If administrative capacities must be developed, technical assistance should be provided (prior to financial assistance).

Technique: Public Provision of Housing

Two types of public housing comprise this tool: conventional public housing and "Section 8" public housing. Conventional public housing, in St. Louis, administered by the St. Louis Housing Authority, normally consists of concentrated subsidized units. In most instances, 100 percent of the units in a conventional public housing building are publicly subsidized. Section 8 public housing is, likewise, housing which is publicly assisted, but it is not concentrated. Ideally, not more than 20 percent of the units in a particular Section 8 building are occupied through public subsidy. With conventional public housing, a subsidy is normally applied to a dwelling unit, thus, enabling a considerable reduction in rent. The occupant family (low-income) pays the required rent regardless of its income. Section 8 housing subsidizes the tenant, not the unit. The tenant (low- or moderate-income family) pays 25 percent of his/her income toward the (fair market) rent. The difference between what the tenant pays and the rent is paid publicly.

Senior citizen housing, through Section 202 of the National Housing Act, is also a form of publically subsidized housing.

Since "Section 8" housing was authorized by relatively recent legislation (Housing and Community Development Act of 1974), most of the public housing units in St. Louis are of the conventional variety. Eight major conventional developments exist: Carr Square Village, Clinton-Peabody Terrace, Cochran Apartments, Blumeyer Apartments, Darst Apartments, Webbe Apartments, Vaughn Apartments, and DeSoto-Carr. Section 8 housing, however, is in great demand. As of November, 1977, over 5,000 families were on Housing Authority waiting lists for Section 8 units.

Technique: Program Packaging

The value and utility of the techniques outlined thus far are augmented when they are used in conjunction with each other. For example, social services and public housing, when deployed simultaneously, have the potential of achieving a better result than would either tool applied independently. Likewise, prudent public facilities investment, coupled with technical or financial assistance, should achieve better results than would any singular tool. Recognizing this, federal and state legislation has been enacted which permits programs to be packaged in several ways. Among these, Chapter 363 of the Missouri Revised Statutes (Missouri Urban Redevelopment Corporation Law), has been the umbrella under which many redevelopment program packages have occurred.

Chapter 353 stimulates private sector involvement in urban redevelopment by extending incentives to the private sector. Developers willing to undertake large-scale redevelopment of declining and blighted areas are granted the right of eminent domain to secure sites. Also, the 353 law extends considerable tax abatement to the developer. For the first 10 years that a 353 project is in effect, only the land is taxed. For the subsequent 15 years, the value of land and improvements is taxed but only at half the normal rate. After the 25th year, the 353 project is taxed in the usual fashion. If, during the first 10 years, land values are not equal to the value of land and improvements which were situated on the site before it was granted 353 status, the developer is required to pay at least the amount of taxes equal to the tax yield from the former improvements. Each proposal for a 353 development requires extensive submissions to, and thorough review by, the Community Development Commission. The Commission makes a recommendation to the Board of Aldermen which acts finally on a 353 proposal. Only sites which are "blighted," as defined by the 353 law, are eligible for 353 status. A site may be blighted by reason of age, obsolescence, inadequate or outmoded design, or physical deterioration of existing property and improvements. Projects achieving 353 status may encompass virtually any type of improvement, ranging from residential to industrial. Mixed-use developments are also possible. Many of the major redevelopment efforts now underway in the City of St. Louis are being accomplished through Chapter 353.

Each technique thus far outlined has the potential of being "packaged" with another technique. When this is done, the effectiveness of a program is normally augmented. In the section of this chapter titled "New Programs with Applicability for St. Louis," examples of several new "program packages" are presented.

Relationship of Techniques to Neighborhood Needs

In the past, the housing programs undertaken in St. Louis have stressed only two of the eight techniques discussed: public provision of housing and financial assistance. The 1978 CDBG housing program proposes a strong effort to build neighborhood technical and management skills through the technical assistance technique. The other five techniques discussed all have had impact on housing improvement in St. Louis, but none of the five have been viewed as fundamental housing "tools" (as opposed so far to public housing, financial assistance, and technical assistance, which are). To improve housing comprehensively, the city must think in terms of applying all eight techniques as *housing* tools, often deploying several techniques simultaneously.

Each housing improvement technique, when coordinated and used in conjunction with other techniques, will be considerably more effective in addressing housing problems than would be the independent application of any particular technique. Table 5-5 portrays the need for the eight techniques to interrelate. As shown, with the possible exception of social services and assistance, there is a strong or potential need for the deployment of more than one technique concurrently in problem-solving situations.

Table 5-5
NEED FOR COORDINATED APPLICATION OF TECHNIQUES

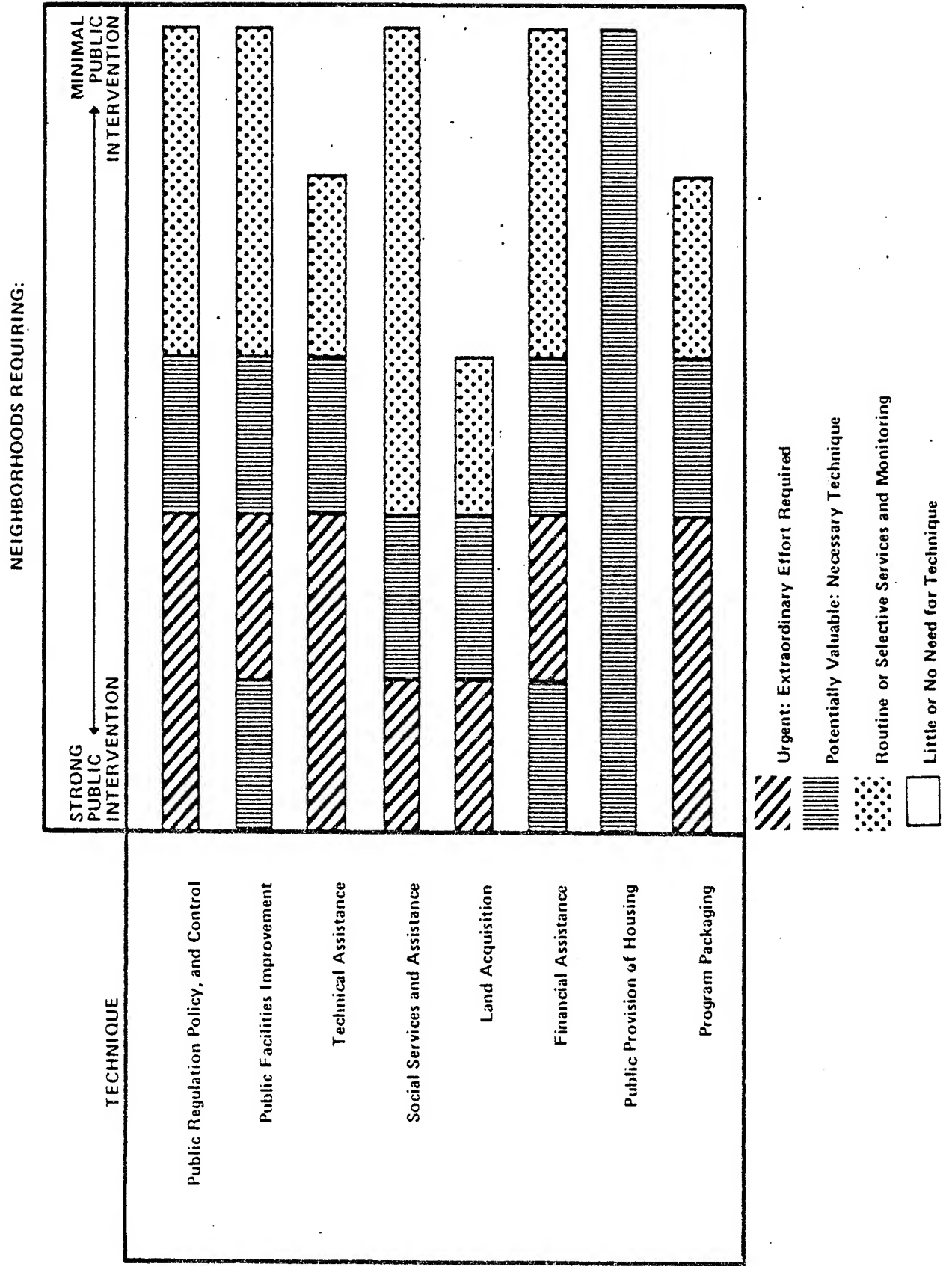
	1	2	3	4	5	6	7	8
1. Public Regulation, Policy Control	-							
2. Public Facilities Improvement	B	-						
3. Technical Assistance	B	B	-					
4. Social Services and Assistance	C	C	B	-				
5. Land Acquisition	A	A	C	C	-			
6. Financial Assistance	B	B	B	B	B	-		
7. Public Provision of Housing	C	B	C	A	A	B	-	
8. Program Packaging	A	A	A	B	A	B	B	-

A = Strong, vital need for relationship
B = Possible need for relationship
C = Little or no need for relationship

What does this mean for St. Louis? Simply that land acquisition programs should not occur independent of program packages; nor should financial assistance and technical assistance programs operate independently; etc. In each case, the city will reap more benefits from jointly applying techniques rather than using each as an independent tool.

The application of the eight techniques will vary among neighborhoods proportional to their need for public intervention. For example, in neighborhoods requiring substantial rehabilitation and revitalization (and hence, possessing a great need for public intervention), all of the eight techniques are of potential use. Conversely, in a neighborhood which requires little revitalization and where private sector forces are strongly in evidence, only routine or minimal use of a few selected techniques is suggested. Figure 5-2 depicts the comparative applicability of the eight techniques to neighborhoods having different levels of need.

APPLICABILITY OF TECHNIQUES IN RELATION
TO NEIGHBORHOOD NEED FOR PUBLIC INTERVENTION
Figure 5-2



As the need for public intervention in a given neighborhood increases or decreases, the utility of the several techniques will also change. A neighborhood which requires intensive public intervention will use a combination of techniques specifically suited to its needs. A neighborhood requiring little public intervention will likely make use of much fewer and a different set of techniques, primarily because its needs are so different and comparatively minor. Also, as a neighborhood requiring substantial public intervention makes prudent use of appropriate techniques, the need for public intervention should decline.

Another consideration in applying the eight techniques in neighborhoods is their "leveraging potential." This concept refers to the ability of a technique (or one of its component programs) to spur additional public or, preferably, private investment as a direct result of its use. Table 5-6 shows the general potential of the various techniques to leverage private and/or public funds. As indicated, if prudently used, each technique possesses some leveraging potential. Only "public regulation, policy, and control" and the "public provision of housing" have marginal leveraging capabilities for public and private funds, respectively.

Table 5-6
LEVERAGING POTENTIAL OF TECHNIQUES

	Public Sector	Private Sector
Public Regulation, Policy, and Control	C	B
Public Facilities Improvement	B	A
Technical Assistance	A	B
Social Services and Assistance	A	B
Land Acquisition	A	A
Financial Assistance	A	A
Public Provision of Housing	A	C
Program Packaging	A	A

A = Strong potential
B = Moderate potential
C = Little or no potential

Ideas for Strengthening of Techniques

Although many effective techniques and resources are being used to improve housing in St. Louis, it is essential that the city's capability to combat housing deterioration be expanded. Creative ideas and programs must be developed on all fronts to maintain viable neighborhoods, stabilize declining neighborhoods, and revitalize deteriorated neighborhoods. Many reasonable ideas for housing improvement have been promulgated by St. Louis residents, and many programs with potential for the city are now in use elsewhere. What follows is a discussion of 10 ideas which, if developed and implemented, should be welcome additions to the city's housing improvement program. Each can be developed using existing resources, and each furthers housing improvement goals and objectives.

District Enabling Act/Neighborhood Development Corporations

At present, two types of neighborhood-based organizations exist: neighborhood groups and neighborhood corporations. Neighborhood groups are informal organizations which act as voices for residents of small geographic areas of the city. Approximately 150 such groups exist in St. Louis. Generally, neighborhood groups are not incorporated nor do they possess any legal powers (other than as informal advisors to the city). Neighborhood corporations, such as Jeff-Vander-Lou and the Union-Sarah Economic Development Commission, are more structured and formal organizations. As corporations, they can purchase or sell land and contract for and provide services. Generally, the more structured corporations—as opposed to the informal groups—have been moderately successful in undertaking limited local redevelopment and revitalization activities.

Based on the premise (presented in Chapter 2) that revitalization efforts will be most successful if locally initiated and supported, it is suggested that the city consider formally delegating certain types of authority to specified geographic subareas of St. Louis. To accomplish this, the city might consider developing a "District Enabling Act."

A "District Enabling Act" would make it possible for several administrative powers to be delegated by the city to locally-based groups, along with *advisory* legislative functions. For a city of the size and population of St. Louis, it is recommended that no more than 10 to 15 locally-based units be created. Not all areas of the city would need to be included. Only those areas with specific needs and capabilities should consider development of such entities. The city's Community Development Agency has suggested that the title "district councils" be used for these subarea organizations. When qualified, district councils could be enfranchised, among other things, to administer public improvement and social assistance programs; to oversee the delivery of public safety services; and to enforce building, health, and housing codes. In addition, the district councils could hear local zoning cases (performing as local "zoning boards of appeal") and make recommendations to the Board of Aldermen. Perhaps the primary focus of these locally-based organizations would be *planning*. District councils would prepare

comprehensive district plans for their area of influence. Such plans would contain land-use and public facility elements and would also include a "district redevelopment and revitalization" component. Upon preparation, the district plan would be submitted to the Community Development Commission for recommendation and the Board of Aldermen for action. When adopted, the district plan would become the city's official comprehensive and redevelopment plan for the area. On a smaller scale, such plans have already been prepared in several neighborhoods with technical assistance provided by CDA. Examples include neighborhood plans for Soulard, LaFayette Square, and Hyde Park. The district council would oversee local development and improvements and determine their consistency with the applicable plan.

(An organizational concept for district councils is explained in Chapter 2, Decentralization—A New Structure for Decision-making.)

One particularly important function of the district council would be to oversee local revitalization programs. At present, private sector incentives for undertaking significant redevelopment projects exist (e.g., Chapter 353). However, although the private sector is making substantial progress in revitalizing several neighborhoods in St. Louis, the progress is too slow to appreciably improve the quality of life of most residents. To expedite widespread redevelopment and revitalization, neighborhood development corporations should be formed. Such corporations would be created pursuant to the recommendation of the district council and subject to positive action by the Board of Aldermen, probably in accordance with guidelines established for the creation of "353" redevelopment corporations. However, they may take on a wider range of management and service functions.

Neighborhood development corporations would be comprised of local residents and assisted by a local staff (not for profit), with additional technical assistance provided by the city, and would endeavor to redevelop properties in which the private sector is unlikely to become involved.

Neighborhood development corporations would not take the place of neighborhood organizations or "district councils." Instead, the corporations would be enfranchised to undertake redevelopment and revitalization activities only if consistent with the adopted district redevelopment plan (which the local "district council" would enact).

Directors of an NDC would be neighborhood residents and property owners. Such corporations could be ultimate recipients of federal and state funds through the city and the local district council. They might help to implement projects and programs in partnership with private development groups.

A particular district council might oversee the operations of several NDCs concurrently. In a sense, the NDCs would become a redevelopment "implementation arm" of the councils. Conversely, some district councils may not contain any NDCs due to a lack of need or capacity.

NDCs would channel all income into other revitalization and neighborhood improvement programs. Because of their nonprofit status, they could be particularly useful in addressing the residence, employment, and social service needs of low- and moderate-income persons.

Table 5-7 contrasts the functions of neighborhood groups, neighborhood corporations, district councils, NDCs and Chapter 353 corporations.

Equity Development

St. Louis is a city of renters, many of whom have low to moderate incomes. One incentive for improving and maintaining the city's housing stock is to enable people who now rent to gain some form of equity. If people have a stake in their residence, they are more likely to maintain it (pride of homeownership). A variety of techniques exist for publicly promulgating equity in private properties. A good example of these techniques is the Urban Homesteading Demonstration Program (Section 810 of the Housing and Community Development Act of 1974). The Urban Homesteading Program permits HUD to transfer ownership of foreclosed HUD properties to local general purpose governments. The local government which participates in the program must provide a plan which incorporates homestead units into other rehabilitation efforts. Then, the properties which are subject to homesteading may be conveyed to an individual or family. Normally, there is no cost to the family; however, the individual or family must agree to occupy the property for a minimum of three years, make necessary repairs (often using other rehabilitation resources), and permit periodic inspection. Many municipalities which have undertaken Urban Homesteading Programs have had such a tremendous response from the public that a lottery is necessary to equitably dispose of the subject dwelling units. St. Louis has a virtually nonexistent Urban Homesteading Program.

As variations to the Urban Homesteading Program, St. Louis should consider the following equity development incentive concepts:

1. *Condominium Homesteading.* Tax delinquent multi-family and/or single-family properties would be conveyed to selected neighborhood development corporations (rather than to the Land Reutilization Authority). The foreclosed tax delinquent units would be rehabilitated (if necessary), then made available to low-income families and individuals. The NDC, with technical assistance, would screen prospective residents. Through the "low- and moderate-income homeowners program" contained within the 1978 CDBG "development of capacity" category, low- and moderate-income persons would be given a mortgage write-down (perhaps two to four percent) to enable purchase. In some cases, a qualified prospective purchaser might be given a unit much like the federal Urban Homesteading Program, except that the ascribed value of the "gift" would be considered a "down payment." The recipient of the unit would be required to make a monthly payment. Each buyer (or recipient) would be given a fee simple interest in one dwelling unit in a tax delinquent multi-family or single-family structure and a prorated interest in common areas.

Table 5-1
FORMS OF NEIGHBORHOOD ORGANIZATIONS IN ST. LOUIS: EXISTING AND PROPOSED

Item	Existing				Proposed	
	Neighborhood Groups	Neighborhood Corporations	Chapter 353 Corporations	District Councils	District Councils	Neighborhood Development Corporations
Function/proposed function	Voice for group of local residents/same	Voice and provider of services for local residents/ceases to exist. (become HOCs)	Private, for profit, redeveloper/same	None/delivers services to area; plans for area; oversees redevelopment activities; enforces codes; Aldermen on zoning and other police power matters	None/delivers services to area; plans for area; oversees redevelopment activities; enforces codes; Aldermen on zoning and other police power matters	None/undertakes not-for-profit redevelopment of area, consistent with district plan; addresses neighborhood needs, particularly of low- and moderate-income persons; performs economic development activities
Means of creation	AD HOC	Corporate charter	City and state legislation		State legislation and city "district enabling act"	District council action, city action, consistent with blanket state legislation
Redevelops/develops property	No	Yes	Yes	No	No	Yes
Delivers public services	No	Some	No	Yes	Yes	Some
Has eminent domain authority	No	No	Yes	No	No	Yes
Approximate number	150	5-10	32 existing/unlimited		10-15	Undetermined
Directly receives tax delinquent properties	NO	No	No	No	No	Yes

As an additional incentive to maintain and improve residences, each condominium owner would be given an "award" at the conclusion of the first, third, and fifth year of occupancy. The award might take the form of a lump sum of money, a reduction of mortgage principal, or a reduction of interest. This "award" would be authorized by the NDC subsequent to its inspection of a dwelling unit. Thus, the owner would have a continuing incentive to maintain and stay in the unit.

Mortgage proceeds would be used to amortize any necessary rehabilitation loans and to create a "pool" for the lump sum awards. Depositories of city funds might be persuaded to provide capital for mortgages and for rehabilitation loans, subject to coordination with appropriate federal mortgage guarantee programs.

2. *Neighborhood Homesteading.* This concept is identical to the "condominium homesteading" program except that single-family attached or detached dwelling units would solely comprise the program's housing stock and would be disposed of on a "deed-out," rather than condominium basis. Certain community facilities, parking, and open space areas might be owned on a condominium basis.

Equity development programs could be combined with tax write-downs, external maintenance loans, and low-interest rehabilitation loans to provide additional homeownership incentives. Also, the housing stock used for equity development programs could be eligible for application of "housing credits" accrued by participants in the "rehabilitation work force" program. Much of the financial administration of the equity development program could be conducted for the neighborhood under the auspices of a newly created "City Housing Finance Agency" (see discussion in the section, City Housing Finance Agency). Social service and assistance programs, including household and budget management, may need to be provided to prospective program participants prior to permitting acquisition of a dwelling unit.

Equity development programs are useful in neighborhoods where a basically sound, but deteriorating, housing stock exists and where only a very limited housing market is present. Abandoned and tax delinquent properties must also be available for this concept to work.

Rehabilitation Work Force (Neighborhood Maintenance Corps)

One factor expediting the decline of St. Louis' housing stock is the inability of a significant portion of the population to afford housing. Often, this segment of the population is unemployed, underemployed, and/or completely reliant on public subsidy and welfare. Low-income, young black males are particularly prone to unemployment.

Ironically, while unemployment characterizes significant numbers of neighborhoods, the city is "losing" 6,000 jobs annually. With the tremendous effort necessary to rehabilitate neighborhoods and housing, it is essential that St. Louis develop and retain a capable "rehabilitation industry" comprised of people skilled in the various construction trades. Thus, unemployment and the inability to afford housing coupled with the need to develop a rehabilitation industry presents St. Louis with an unusual opportunity. If, for example, significant numbers of unemployed persons could be trained and put to work rehabilitating housing and improving the city's physical structure, the housing stock would improve and the population's ability to afford housing would increase.

To this end, it is suggested that a major program be developed which provides for the training of unemployed and underemployed persons in the housing trades and in neighborhood maintenance techniques. This is, in effect, a greatly expanded and modified version of the SLATE program. Participants in the program would be made available to Chapter 353 corporations and neighborhood development corporations to undertake residential and other types of rehabilitation. Appropriate skilled and qualified personnel would be used to supervise this Neighborhood Maintenance Corps. Each person who voluntarily becomes involved in this program would be given a salary in excess of unemployment income and would be provided longer-term incentives to remain in the program. For example, a participant in the program might be given "credits" toward acquisition of a residential unit. After a specified number of successful months of participation in the program, the individual would be eligible to apply accrued credits toward purchase of a dwelling unit. Rehabilitated abandoned units might comprise the housing stock made available to these people. Rehabilitated units, which would be owned by the neighborhood development corporation or a Chapter 353 corporation, might be sold to a program participant for the normal market price. However, program participants could apply work credits toward such housing purchases, and the city would reimburse the seller (353 or NDC) for the accepted credits.

During the training phase of the program, CETA funds or other economic development sources might be used. The housing stock to be rehabilitated by the Neighborhood Maintenance Corps need not be limited to Chapter 353 projects or neighborhood development corporation projects. For example, the work force might be dispatched on a request basis to assist individual homeowners in housing rehabilitation. Also, the work force could be deployed to assist in municipal improvements and other forms of neighborhood redevelopment.

The rehabilitation work force program would require coordination with all city rehabilitation, economic development and land acquisition programs to develop a building stock for the program. CETA programs also would have applicability to the job training of program participants. The equity development program concept could be coordinated with the work force effort to enable substantial numbers of work force employees to acquire dwellings. A variety of social assistance programs, such as household budgeting, sanitation, health care, etc., would need to be offered to program participants in conjunction with their job training (and prior to permitting occupancy of an equity-based dwelling).

Deployment of the rehabilitation work force conceivably could occur anywhere in St. Louis. Housing, commercial, industrial, and public facilities maintenance and improvement all are within the force's purview. Participants in the program will likely come from lower-income areas of the city which have high rates of unemployment.

Technical Assistance

St. Louis is a city of small towns—its neighborhoods. Outside the city's central core, much of what has been accomplished in housing improvement has been neighborhood initiated or, at minimum, neighborhood supported. Therefore, the underpinning of any prudent housing strategy in St. Louis must provide for substantial neighborhood input. Programs and proposals which originate locally possess a much greater chance of success than do "force-fed" programs developed and imposed by the city. However, each St. Louis neighborhood has different housing improvement requirements. Also, each neighborhood has a different "capacity" for undertaking housing improvements.

During development of the short-term (1978) housing strategy, the St. Louis Housing Task Force clearly expressed a preference for neighborhood-endorsed housing proposals. Housing programs and proposals which are neighborhood-oriented and supported (and administered) more directly address local problems and are easier to implement. In order to enable local identification of problems, needs, and priorities, and to build requisite administrative and management capacities, the city must provide technical assistance to neighborhoods, individuals, businesses, and industries.

At present, the CDA Technical Assistance Program is quite informal. Neighborhood organizations, particularly those actively engaged in the housing market, are given staff assistance on an "as-call" basis. Each of the city's 18 program districts is assigned a CDA staff person (nine staff people in program). That person is available to assist any or all of the neighborhood organizations encompassed by a planning district. On an ad hoc basis, CDA works with neighborhood organizations in preparing block grant proposals and, if the proposal is approved, CDA will provide technical assistance and implementation. Also, CDA acts as an expeditor for neighborhood organizations making it easier for those groups to "cut red tape" and make use of other city programs and departments. Again, this liaison activity is performed on an unstructured, "as-call" basis. Finally, CDA will assist a group of neighborhoods (comprising a program area) to develop a neighborhood plan. The components of such a plan include land-use, development and redevelopment alternatives, public improvements, and role of the neighborhood organization(s).

Added to technical assistance activities for 1978 is a program which will allow a number of qualified neighborhood-based groups to receive financial support and technical training. It is the objective of this program to build local capacity, thus enabling neighborhood development of proposals and implementation of programs.

The technical assistance program initiated in 1978 should be a prime emphasis of the city's housing strategy. Each neighborhood's needs and abilities must be measured locally, with technical assistance from CDA; locally developed neighborhood plans must be prepared; and each neighborhood must be given technical assistance which will ultimately enable locally based implementation of its plan.

Also, however, technical assistance programs should be developed to make use of nonpublic and/or quasi-public resources. University extension programs on home budgeting and maintenance, neighborhood organizations providing various types of housing and rehabilitation advice to residents, and local companies with particular expertise in a housing-related topic or industry—all should be considered as potential technical assistance resources. Marketing, training, purchasing and related types of educational instruction should be made available to homeowners, property owners, and local businessmen. Strengthening individual capabilities—using a variety of resources—should pay considerable dividends to neighborhoods and the city.

Marketing and Image Building

St. Louis, like most major central cities, is perceived by too many persons to be old, deteriorating, and "on the way down." While many innovative activities are occurring in St. Louis to improve both the housing stock and other elements of city structure, few people outside of the municipal limits are fully aware of these actions. The city must undertake a comprehensive public relations campaign to attract investment, industry, and interest. In the housing sector, neighborhood marketing services has, on a limited basis, endeavored to market the city's housing stock. This type of activity applied city-wide—to all facets of municipal development—is needed. Although, this type of activity is actually a form of technical assistance, it merits separate mention because of its importance.

District Revolving Loan Fund

Now operating in St. Louis and in several other cities nationwide is a program known as Neighborhood Housing Services, Inc. (Urban Reinvestment Task Force). This program, which was funded by demonstration grant of \$4.5 million in fiscal year 1977, provides funds for loans to residents who do not meet commercial credit standards. Normally, to be eligible, an individual must first be rejected for a conventional loan. NHS programs also disseminate housing improvement and maintenance information to residents of neighborhoods which have a housing stock that is basically sound but is beginning to show signs of deterioration. In the cities which have implemented an NHS program, generally only one or two neighborhoods are eligible. In St. Louis, the residential area bounded (generally) by Gravois on the north, Arsenal on the south, and between Jefferson and 12th Street is the NHS eligibility area.

Both in St. Louis and elsewhere, the NHS Demonstration Program has met with considerable success. The City of St. Louis should consider developing a local (perhaps, district council) program comparable to NHS. Such an activity might draw on the fiscal resources of depositories of city and other public funds to create a loan pool. Loan write-downs, which are not a part of the nationwide NHS program, might be incorporated into a locally-based effort. Certain parameters might be established for receiving funds from the local high-risk pool. For example, the program might be limited to St. Louis residents who now rent. Also, rather than granting a loan write-down at the outset of a mortgage, such subsidies might take the form of secondary mortgages or liens which can be forgiven on a graduated basis as it is demonstrated that owners are making an effective effort to maintain and improve their property. Opportunities to build equity through self help and participation in neighborhood improvement activities should be built into this program.

Rental Property Stabilization

Many of the program and resource innovations thus far discussed are geared toward homeowners and, particularly, prospective homeowners who now rent. While these approaches are applicable to a majority of privately-owned residential properties in St. Louis, many multiple-family structures will not likely be converted from income-generating properties to equity-based properties. Therefore, a program is necessary to motivate multiple-family property owners to maintain and "stick with" their holdings. The provision of rental housing should be viewed as a business which provides a needed and valuable social service. It should be regulated and supported as such.

Several reasons prompt landlords to neglect and abandon multiple-family property: (1) no market exists for the units and, hence, the cash flow emanating from the site is less than the amount of money required to maintain the structure, (2) the property has been depreciated to the extent that it no longer affords the owner valuable tax shelter, (3) costs of operation and time required for management have become too much for the owner to cope with, and (4) the building's owner lacks the knowledge and technical skills required for property maintenance and management. These factors can be viewed as potential opportunities. For example, if massive neighborhood revitalization occurs, those landlords who have retained ownership and maintained tax payments will benefit due to an increased market. Thus, the remedy to eliminate the first cause of abandonment is to substantially revitalize neighborhoods. To offset the lack of tax shelter benefits, various forms of tax relief might be granted to owners of income-producing multiple-family properties, especially resident owners and those with low incomes. For example, a reduced percentage of the valuation might be used to calculate tax liability but a property would only be eligible if well maintained. Or, perhaps some form of tax credit might be granted which would be the equivalent of a tax shelter benefit. Additionally, a program could be developed which would provide multi-family property owners with management and administrative technical assistance. Finally, the city might consider developing programs which would defray or reduce some of the basic costs of operating multi-family properties; examples include security, refuse collection, and insurance.

Some form of financial assistance should be made available for the improvement of multi-family properties. Grants could be made available as part of a total financing package which would endeavor to restore property both economically and physically and bring it into code compliance. Grants might be given to property owners to cover a percentage (i.e., 50 percent) of rehabilitation. The availability of a percentage of units for Section 8 subsidized occupancy might be imposed as a precondition for such financial assistance. Such a commitment by the city might prompt many owners, who would otherwise abandon their structures, to remain and maintain their properties. A program comparable to this has operated quite successfully in Chicago.

City Housing Finance Agency

With the complexities involved in housing finance, it would be desirable for city residents to have a central source from which housing assistance can be obtained. A city housing finance agency might be created to assist residents, developers, building owners, and financial institutions in obtaining financing for housing.

Numerous existing programs and several proposed programs—all involving residential financing could be consolidated in the agency. The finance agency serving the St. Louis Housing Authority could be merged into the umbrella city agency. Existing programs which could be placed within the agency's preview include:

- All public housing finance activities.
- Abandoned building rehabilitation.
- All rehabilitation loan programs.
- Assisted home repair.
- Long-term mortgage guarantee.
- Mortgage interest reduction.

In addition, Section 8 and Section 312 finance programs could be administered by the agency.

New programs which might function best if placed in or linked to the agency include:

- District revolving loan fund
- Equity development
- Rental property stabilization

The agency would also be responsible for monitoring lending practices of depositories of city funds.

Benefits of creating a central housing finance agency are many. As a single source, residents and developers could "one-stop shop" for new, rehabilitation, or redevelopment financing. Also, employees of the agency would be able to match a specific program to the needs of an applicant. A concentration of financing and related management expertise within one agency should expedite housing finance. Finally, with all finance programs in one umbrella organization, program packaging would be facilitated. For example, an individual who thought he needed a rehabilitation loan might discover that the "district revolving loan fund program" coupled with the "assisted home repair program" better met his needs—and at considerable savings.

Code Enforcement Practices

At present, the city has two types of code enforcement programs: concentrated enforcement and systematic enforcement. Concentrated code enforcement is used in neighborhoods undergoing extensive revitalization or rehabilitation. In those neighborhoods, the city dispatches building inspectors on a comprehensive basis to ensure the community-wide upgrading of the housing stock. However, a problem attributable to this approach is that many owners of marginal buildings abandon their structures rather than investing in improving them (to bring them into conformance with the code). (Why put money into a building where you can only attract tenants who can afford to pay very modest rents, often not enough to compensate for operating costs?) The systematic approach to code enforcement works on a complaint basis. As complaints are registered, inspectors are dispatched to determine if code violations exist.

The city has cautiously used the concentrated enforcement technique. It has reasoned that citing owners of marginal buildings for code violations would prompt abandonment of properties. However, the city might consider embarking on a program which would vigorously apply concentrated code enforcement to the most deteriorated areas. It is reasoned that this type of practice would stop the economic "milking" and accelerated deterioration of property. Once a building is abandoned, it might be acquired by either the Land Reutilization Authority or the applicable neighborhood development corporation. Once acquired, if the unit is structurally sound, it could be rehabilitated by the neighborhood maintenance corps and recycled to new occupants. In fact, those abandoned structures might comprise the housing stock to which participants in the neighborhood maintenance corps would be able to apply their work credits.

Enforcement of building, health, and housing codes could be administered by district councils. Members of the neighborhood maintenance corps might be trained as para-professional inspectors and made available to district councils. If code violations are identified, the neighborhood maintenance corps could be made available to the violator (through the district council) to correct the deficiency. This service could be performed at a cost, as a full grant (with materials), or as a matching grant with the violator providing any material necessary to bring the structure into compliance.

Relocation/Emergency Housing Assistance

On a daily basis, in St. Louis and other major cities, people are displaced from their residences. Fire, natural disaster, family disputes (battered spouses), public actions, and evictions are several reasons which force people from their homes. Except in the case of dislocation due to public action, there is no public provision of relocation services available. Only the Salvation Army and Red Cross provide temporary shelter for displaced persons. Furthermore, if the city is to vigorously enforce its building codes in deteriorating and deteriorated areas, it is likely that many additional low-income persons will be displaced.

It is a moral obligation for the city to address the temporary and permanent shelter requirements of all displaced persons, regardless of the reason for dislocation. To house people on an interim basis, the city needs to develop an emergency housing assistance program and must broaden its relocation options. Section 8 funds might be used on a comprehensive basis to make a significant component of the housing stock available for emergency housing.

It is essential that the emergency housing assistance program be comprehensive in nature. "All comers must be welcome," and while the program must make sufficient accommodation for emergency housing, permanent housing for all people must be its objective.

Summary of Actions Required

Each of the 10 ideas requires review and evaluation. Initially, each concept should be subjected to the following analyses and studies:

- Cost-Effective Analysis
 - Cost/revenue evaluation
 - Identification of leveraging potential
 - Determination of interrelationships with other techniques and programs
- Identification of Potential Funding Sources
- Acceptability in Neighborhoods
- Identification of Parameters for Program Use
 - Legal/administrative
 - Geographic
 - Socioeconomic

In addition to these general studies, specific activities which should be undertaken in connection with the independent concepts are discussed below.

District Enabling Act/Neighborhood Development Corporation. The concept of decentralizing city administrative and technical functions needs to be explored and

basic policies set. It is recommended that the mayor establish a committee to study and recommend the desirability and feasibility of creating formal mechanisms for planning and implementation at the neighborhood level and to identify the specific powers which might be delegated to neighborhood and district organizations. In addition, the committee could suggest parameters for the delegation of such powers and might develop prospective geographic boundaries for the quasi-governments. Another role of the committee would be to evaluate the need for amending or developing city and state legislation to enable decentralization of certain functions. Finally, the committee also could review the legal vehicles available to govern neighborhood development corporations and identify any improvements required.

Equity Development and Property Transfer. To determine the feasibility of initiating an equity development program, the city will need to conduct a survey of multiple-family properties amenable to conversion for condominiums and of available single-family properties. The Land Reutilization Authority and other agencies will need to identify properties which are appropriate for inclusion in this program. Ways of identifying and screening prospective occupants will need to be developed, and ways of granting equity with appropriate safeguards, will need to be devised. A whole "system" for taking in, processing, and improving property and for taking in and assisting prospective owners needs to be developed.

Rehabilitation Work Force/Neighborhood Maintenance Corps. This concept requires considerable coordination with the Economic Development Strategy. As a starting point, the viability of creating a Neighborhood Maintenance Corps should be explored with unions, neighborhoods, and developers/redevelopers. If the concept appears viable, a program detailing how the work force is to be recruited, trained, and deployed, and the roles of the unions, developers/redevelopers, neighborhoods, and the city, should be developed. Once staffed, the corps should be made available to neighborhood development and Chapter 353 corporations, and to individuals, for the rehabilitation of buildings in accordance with the procedures established.

Technical Assistance. The city should explore making immediate use of local universities and businesses in disseminating instruction and information. For example, universities may be willing to establish evening extension programs in which building management, home-budgeting and maintenance, and related types of courses could be offered.

Marketing and Image Building. For immediate consideration, the city might increase the community development allocation to Neighborhood Marketing Services, Inc. Neighborhood Marketing Services might use this additional revenue to hire marketing ombudsmen who could be deployed in neighborhoods on a rotating basis to assist in developing neighborhood marketing programs.

District Revolving Loan Fund. The experience of the city with Neighborhood Housing Services should prove useful in establishing this program. Each area in the city which is amenable to inclusion in the district revolving loan fund should be

identified. To do this, the Community Development Agency should identify lending practices in all city neighborhoods and should determine where district revolving loan funds are most needed. Income limits, receptive financial institutions, and geographic boundaries should also be defined.

Rental Property Stabilization. To initiate this activity, it is necessary to develop a work program for the multiple-family rehabilitation grant concept and to develop a "municipal talent pool" which could work with multi-family property owners in management, budgeting, and maintenance. The city may also want to consider accelerated refuse collection and neighborhood maintenance programs in areas with high concentrations of multiple-family structures.

City Housing Finance Agency. To establish this agency, it will be necessary to identify the various agencies and departments and functions, which are amenable for inclusion. Once identified, municipal legislation detailing the goals, objectives, functions and responsibilities of the Housing Finance Agency should be prepared and an organization and management plan written.

Code Enforcement Practices. The city should undertake a cost-effectiveness analysis regarding the selective enforcement of municipal codes in deteriorated areas, in coordination with neighborhood development corporation activities and equity development programs.

Relocation/Emergency Housing Assistance. The city should immediately devise an emergency housing assistance plan. (This action was authorized in the 1978 CDBG housing program.) Once such a plan is devised, a work program should be developed for implementing emergency housing assistance throughout the city. Such a program must make provision for people who are displaced by any action, whether natural, municipally initiated, or as the result of individual predicament. The emergency housing assistance program should also develop several alternatives for moving displacees into permanent, affordable housing.

Summary

It is essential that the new programs and ideas presented in this chapter be viewed as a *beginning*. Each program is intended to complement and supplement existing housing activities. But, there is infinite room for the development of additional programs. Ideally, the ideas presented here will stimulate many more from city officials and residents.

Second, it is intended that all programs and activities be developed and classified within the context of the eight *techniques*. Not only do the techniques serve as a valuable language for neighborhoods, the city, and residents to use in communicating, but the techniques also provide a manageable organizational framework for programs.

The perspective provided for programs and techniques will need continuous and considerable expansion and refinement. As programs become obsolete, new activities will need to be devised. If the city retains a progressive attitude regarding the formulation and implementation of housing programs, it will virtually guarantee the improvement of its neighborhoods.

Chapter 6

THE SCALE OF THE ST. LOUIS HOUSING PROGRAM

It is recommended that the scale of efforts to revitalize housing in St. Louis be increased dramatically. Just what might this mean? How much of an increase in construction and rehabilitation is possible or required? It is difficult to make a precise projection in this area. Data on current expenditures is limited and future "needs" extend well beyond any predictable levels of resource capability. However, some gross estimates of potentials may help indicate something of the opportunity and the challenge ahead.

The housing element of the city indicates that by 1985, 45,800 dwelling units should be rehabilitated and that another 10,300 new units should be built. Although the assumptions behind these estimates can be questioned, it is likely that the resulting workload generally represents what would be desired. Existing 353 projects alone would account for over 3,500 units of rehabilitation and 5,000 units of new construction. For purposes of estimating the overall effort required, the projection of needs contained in the housing element probably represents an acceptable point of departure.

It is equally difficult to determine the current levels of expenditure in the city. Data available indicates that in 1976, less than \$7.7 million was spent in residential construction or improvements which involved the issuance of building permits. Between 1971 and 1974, a total of 2,800 or an average of 700 dwelling units per year were authorized for new construction. All but 320 of these were subsidized units for low-income families. With over 200,000 housing units in the city, these are very small amounts. Conservatively, housing in St. Louis has a replacement value of from \$6 to \$10 billion. Assuming rehabilitation and replacement costs at a conservative rate of two percent per year, expenditures could approximate \$120 to \$200 million annually. Even at one percent, they would be in the range of \$60 to \$100 million. Such rates would do nothing to overcome accumulated obsolescence. Even if building permit data underreports the levels of investment in housing by as much as two or three times, it is obvious that current levels fall far short of meeting either maintenance or rehabilitation needs.

A different picture can be drawn for the balance of the St. Louis metropolitan area. Altogether, there are some 615,000 dwelling units in the St. Louis region outside of St. Louis. Building permit data shows that, typically, some 14,000 units are built in this area each year. Assuming an average construction cost of \$30,000, this represents \$420 million of new residential investment annually. In addition, it can be assumed that substantial amounts are being spent on rehabilitation and modernization of units in suburban areas. Expenditures for new housing (exclusive of rehabilitation and modernization) in the region outside of St. Louis appear to be over two percent of replacement value annually. Thus, from a regional standpoint, the rate of housing construction comes much closer to meeting apparent appropriate replacement needs.

To meet the needs projected in the city's *housing element*, it would be necessary to obtain a total investment of \$350 to \$500 million in new construction and an equal amount in rehabilitation. These are conservative estimates based on construction costs of \$35,000 to \$50,000 per dwelling unit and rehabilitation costs of \$8,000 to \$12,000 per dwelling unit. Extending these investments over 20 years (twice that proposed in the *housing element*), expenditure levels of \$35 to \$50 million per year would be required. Additional expenditures of \$50 to \$75 million annually would be required to maintain or replace housing in the city not otherwise included in the needs projected in the housing element.

Thus, at minimum, to meet needs projected in the housing element and to maintain existing sound housing by the end of the century, investments in rehabilitation and new construction in St. Louis should be at levels of \$70 to \$125 million—preferably at the top end of this range. These levels are, as near as can be determined, nine to 15 times as high as those achieved in 1976 and at least four to six times those achieved with large scale subsidized housing construction during 1971 to 1974. To some extent, they can be achieved through additional public effort. For example, for as long as they are available, proposed expenditures from CDBG funds alone could double and perhaps triple the 1976 investment in housing in the city. However, this would still leave a substantial short-fall which will have to be made up through local sources. The resources of existing owners and tenants are limited. Total individual and family incomes in St. Louis are relatively low (average \$7,500 in 1970) and may not total more than \$1.5 billion annually. Assuming that no more than 15 to 20 percent of income can be devoted to housing, this produces a total annual cash flow to housing of about \$250 million. Of this, probably no more than five to eight percent, or \$15 to \$20 million can be devoted to maintenance and replacement. This falls short of the amounts estimated to be needed to rehabilitate and provide replacement housing in the city.

If significant progress is to be made in the revitalization of housing in St. Louis, more money must flow into the city, desirably in the form of personal and family income. To some extent, this can be done through the creation of new or better jobs. It can also be done by attracting persons to the city who would otherwise make their housing expenditures outside the city. Both courses of action must be pursued vigorously. Substantial investments in housing must be shifted from suburban areas to the city and unemployment must be cut dramatically. The scale of the fundamental shifts that must be made is dramatic.

One additional source of both income and subsidy which is presently available on a small scale but which is proposed to be expanded is that of the "rehabilitation work force" which could provide the opportunity to develop skills and to generate income. Assuming that 2,500 persons could be trained and employed to work in rehabilitation and could generate \$7,500 worth of improvements per person each year, this would produce values of nearly \$20 million annually.

It is obviously difficult and speculative to try to estimate how the needed levels of investment might be obtained. However, even a very crude estimate might be useful in helping to indicate the scale of effort required. Assuming an investment target of \$125 million per year, possible sources might be as follows:

Public Investments

-- CDBG funds direct to housing	\$15 million
-- Other federal assistance programs: public housing modernization, 312 and Section 8, and FHS Title I	15 million
-- Rehabilitation work force (neighborhood maintenance corps)	<u>20 million</u>
Total public investment in housing:	<u>\$50 million</u>

Private Investments

-- From present population	\$15 million
-- From earnings generated through economic development (including rehabilitation work force), assume a gain in household income of \$100,000,000	\$10 million ¹
-- From in-migration to city (assume 1,000 households per year with incomes that can support a \$50,000 investment)	<u>\$50 million</u>
Subtotal:	<u>\$75 million</u>
Total:	<u>\$125 million</u>

¹ Assume 20 percent to be spent for housing, 50 percent of this to go to debt service on new investment.

APPENDIX

DRAFT NEIGHBORHOOD EVALUATION SURVEY

This survey will help CDA, the CAC, EDC, and Board of Aldermen evaluate neighborhood conditions throughout the city. It will, together with independent analyses by CDA staff, enable the setting of priorities in assigning Federal Year V Community Development Block Grant funds to meet St. Louis's housing objectives. Initial ratings from this survey will first determine what programs neighborhoods will be eligible for in this year's allocation, and second, neighborhoods' priorities for funding on a city-wide basis.¹ CDA will then request proposals for funding in applicable programs or projects from eligible neighborhoods, and will set priorities among these proposals according to the manner in which the programs or projects effectively and efficiently address the needs identified in this survey.

The Neighborhood Evaluation Survey requires an understanding and description of three aspects of your neighborhood's condition:

- A. *Needs and Trends*, concerning the physical, economic, and social needs of the neighborhood, and how those needs are changing;
- B. *Organizational Capability*, concerning the resources, skills, and experience possessed by or available to the neighborhood's organizations; and
- C. *City-wide Significance*, concerning the interaction between this neighborhood and adjacent areas, and any special features of significance at a city-wide scale.

Please complete all questions.

¹In Year V of the CDBG program this survey will also help CDA designate "Neighborhood Strategy Areas" for special use of Section 8 substantial rehabilitation money.

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Program District _____

Neighborhood Name _____

Neighborhood Organization _____

Part A: Needs and Trends--Priorities for Action

Please rank, in descending order, the most significant housing-related problems in your neighborhood, with "1" indicating your highest priority:

	<u>Priority</u>	<u>Additional Information You May Wish to Provide</u>
1. Poor condition of occupied buildings	_____	
2. Vacant and unboarded buildings	_____	
3. Vacant lots	_____	
4. Rats and rodents	_____	
5. Garbage	_____	
6. Conflicts between residential and other land-uses	_____	
7. Poor condition of streets	_____	
8. Poor condition of parks and communal facilities	_____	
9. Lack of open space	_____	
10. Poor condition of schools	_____	
11. Bad police and fire service	_____	
12. Poor medical facilities	_____	
13. Poor visual appearance	_____	
14. Insufficient shopping facilities	_____	
15. Poor physical condition of shopping areas	_____	
16. Poor perception of neighborhood by remainder of city	_____	
17. Lack of commitment to neighborhood by residents	_____	
18. Lack of technical skills within neighborhood to undertake revitalization activities	_____	

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Priorities for Action (Cont'd)

	<u>Priority</u>	<u>Additional Information You May Wish to Provide</u>
19. Lack of employment opportunities	_____	
20. Lack of private rehabilitation	_____	
21. Lack of private new construction	_____	
22. Lack of land available for new construction	_____	
23. Lack of private maintenance	_____	
24. Public Housing	_____	
25. Inability of residents to obtain finance or insurance to buy or improve homes	_____	
26. Inability of residents to afford good (standard) housing	_____	
27. Insufficient standard housing to meet needs of residents	_____	
28. Insufficient special-purpose housing:	_____	
for elderly	_____	
for large families	_____	
for low-income groups	_____	
for dislocatees	_____	
29. Other (please describe)	_____	
30. Other (please describe)	_____	

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions

- 1a. What percent of the occupied buildings in your neighborhood are now: (insert approximate share)

	<u>Percent</u>
In sound condition	_____
In need of minor repair	_____
In need of major repair	_____
In dilapidated condition	_____

Total: 100%

- 1b. Is the condition of occupied buildings in your neighborhood: (mark with X)

Rapidly improving	_____
Improving	_____
Relatively stable	_____
Declining	_____
Rapidly declining	_____

- 2a. What percent of the buildings in your neighborhood are vacant and unboarded? (insert approximate share)

_____ % of buildings are vacant and unboarded

- 2b. During the past five years has the number of vacant and unboarded buildings in your neighborhood:

Rapidly increased	_____
Increased	_____
Stayed about the same	_____
Decreased	_____
Rapidly decreased	_____

- 3a. What percent of the lots in your neighborhood are vacant (do not contain a building)? (insert approximate share)

_____ % of lots are vacant

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

- 3b. During the past five years has the number of vacant lots in your neighborhood: (mark with X)

Substantially decreased

Decreased somewhat

Stayed about the same

Increased

Increased greatly

4. In your neighborhood are rats and/or rodents: (mark with X)

A significant problem

Somewhat of a problem

Not a major problem

5. In your neighborhood is garbage: (mark with X)

Not very visible and frequently collected

Highly visible but often collected

Not very visible but infrequently collected

Highly visible and infrequently collected

6. In your neighborhood are conflicts between residential and other land-uses (e.g., commercial, industrial, transportation, institutional): (mark with X)

A significant problem

Somewhat of a problem

Not a major problem

7. In your neighborhood are streets generally in: (mark with X)

Good condition

Fair condition

Poor condition

Very poor condition

8. In your neighborhood are parks and communal facilities generally in: (mark with X)

Good condition

Fair condition

Poor condition

Very poor condition

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

9. Does your neighborhood lack open space: (mark with X)

Significantly _____
Somewhat _____
Not really _____

10. In your neighborhood are schools generally in: (mark with X)

Good physical condition _____
Fair physical condition _____
Poor physical condition _____
Very poor physical condition _____

11. Does your neighborhood receive police and fire services that are: (mark with X)

Good _____
Fair _____
Poor _____
Exceptionally bad _____

12. Are your neighborhood's medical facilities: (mark with X)

Excellent _____
Good _____
Satisfactory _____
Inadequate _____

13. Is the overall visual appearance of your neighborhood: (mark with X)

Very attractive _____
Attractive _____
Unattractive _____
Very unattractive _____

14. Are local commercial and shopping facilities in your neighborhood: (mark with X)

Grossly inadequate _____
Inadequate _____
Adequate _____
Excellent _____

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

15. Are the local commercial and shopping facilities in your neighborhood:
(mark with X)
- In good physical condition _____
In satisfactory physical condition _____
In unsatisfactory physical condition _____
In very unsatisfactory physical condition _____
16. In your opinion, does the remainder of the city perceive your neighborhood:
(mark with X)
- As a very attractive place to live _____
As an attractive place to live _____
As a mediocre place to live _____
As an unattractive place to live _____
As a very unattractive place to live _____
17. Is the commitment of residents to your neighborhood generally: (mark with X)
- Very strong _____
Strong _____
Indifferent _____
Weak _____
Very weak _____
18. Do your neighborhood's residents or their organizations generally possess the technical and organizational skills required for development, rehabilitation, and revitalization: (mark with X)
- Very adequately _____
Adequately _____
Insufficiently _____
Very insufficiently _____
- 19a. Is unemployment in your neighborhood holding back revitalization: (mark with X)
- Very significantly _____
Significantly _____
Not much _____
Insignificantly _____

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

- 19b. Roughly what percentage of your neighborhood's adult residents are unemployed? (insert percentage)

_____ % of the neighborhood's adult population is unemployed

20. Is private residential rehabilitation occurring in your neighborhood:
(mark with X)

To a very significant extent _____
To a significant extent _____
To some extent _____
To an insignificant extent _____

21. Is new private housing construction occurring in your neighborhood:
(mark with X)

To a significant extent _____
To some extent _____
To an insignificant extent _____

22. Is suitable land for new construction in your neighborhood: (mark with X)

Easily available _____
Available _____
Not available easily _____
Impossible to obtain _____

23. Do homeowners and landlords perform maintenance in your neighborhood:
(mark with X)

More than adequately _____
Adequately _____
Inadequately _____
Hardly at all _____

24. Is the presence of public housing in your neighborhood: (mark with X)

A major problem _____
A problem _____
Not a problem, not an asset. _____
An asset _____
A significant asset _____
Not applicable (no public housing) _____

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

25. Can residents obtain financing and insurance to buy or improve homes in your neighborhood: (mark with X)

Very easily	_____
Easily	_____
Satisfactorily	_____
Only with difficulty	_____
Only with great difficulty	_____

- 26a. Roughly, what percent of the residents in your neighborhood can:

	<u>Percent</u>
Easily afford standard housing	_____
Afford standard housing	_____
Afford standard housing by cutting other expenses	_____
Not afford standard housing	_____

Total: 100%

- 26b. In the past five years, has the number of people in your neighborhood who can afford standard housing: (mark with X)

Significantly increased	_____
Increased	_____
Remained about the same	_____
Decreased	_____
Greatly decreased	_____

27. Does your neighborhood have a sufficient housing stock to meet the needs of: (mark with Xs)

	<u>Very Adequately</u>	<u>Adequately</u>	<u>Inadequately</u>	<u>Very Inadequately</u>
Resident low-income people	_____	_____	_____	_____
Resident moderate-income people	_____	_____	_____	_____
Resident middle-income people	_____	_____	_____	_____
Resident high-income people	_____	_____	_____	_____
Resident elderly people	_____	_____	_____	_____

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part A: Needs and Trends--Current Conditions (Cont'd)

28. Is there sufficient special-purpose housing in your neighborhood to meet the needs of residents: (mark with X)

Elderly	_____
Large families	_____
Low-income families	_____
Dislocatees	_____

29. Other factors and information you may wish to provide:

30. Other factors and information you may wish to provide:

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part B: Organizational Capability

1a. How many residents of your neighborhood belong to your organization?
(insert number)

1b. What percentage does your membership form of the total neighborhood population?
(insert percentage)

_____ %

1c. Approximately what percentage of your members *participated* in your organization during the previous year? (insert percentage)

_____ %

1d. Approximately how many person-hours of time and effort did these people commit in total to the organization in the previous year? (insert rough number)

_____ person-hours

2. Does your neighborhood organization have any full-time staff?

Yes _____

Paid _____

No _____

Unpaid _____

Name

Position/Title/Function

Skills and Training

3. How representative, would you say, is your neighborhood organization of the neighborhood at large? (mark with X)

Very
Somewhat

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part B: Organizational Capability (Cont'd)

4. Briefly describe the programs your neighborhood organization has undertaken in the past and now undertakes:

<u>Name</u>	<u>Function</u>	<u>Duration/Time Program Has Been Operating</u>

(Add extra information on separate sheets as necessary)

5. The following skills and capabilities are some of those which are vital to the health of a successful neighborhood organization. Does your organization possess them, or have them available through other means? (mark with X)

	<u>Possess</u>	<u>Available as Needed</u>	<u>Not Available</u>	<u>Briefly Describe</u>
Legal				
Accounting and management				
Fund-raising				
Neighborhood planning				
Economic development				

(Add extra information on separate sheets as necessary)

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part B: Organizational Capability (Cont'd)

6. The following program areas represent functions that may be feasible for neighborhood organizations to perform in St. Louis. Is your organization presently capable of undertaking these functions, and if so, to what extent?
(mark with X)

	Yes					Monitor ing
	Not at All	Planning	Policy Decisions	Management	Operations	
New housing develop- ment						
Housing counseling						
Housing rehabilita- tion						
Public works						
Beautification						
Economic develop- ment						
Employment counsel- ing						
Transit and Trans- portation						
Legal assistance						
Culture and recreation						
Education						
Social services						
Youth services						
Local medical care						
Supplementary secur- ity patrol						

(Add supplementary information as necessary)

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part C: City- or Area-Wide Significance

1. Does your neighborhood contain any *major* concentrations of employment? If yes, indicate whether employment at those facilities is generally expanding or contracting, or whether the labor force is roughly remaining stable in size: (mark with X)

	Labor Force				Brief Description
	Not Present	Expanding	Stable	Contracting	
Retail center	_____	_____	_____	_____	_____
Wholesale area	_____	_____	_____	_____	_____
Industry	_____	_____	_____	_____	_____
Institutions (government/hospitals/educational)	_____	_____	_____	_____	_____

2. Does your neighborhood contain any public or institutional facilities of a city- or area-wide importance? What are they?

3. Does your neighborhood possess natural, historic, or architectural assets of city-wide significance? (mark with X)

	No	Yes		Briefly describe
		Potential Value	Realized Value	
Natural	_____	_____	_____	_____
Historic	_____	_____	_____	_____
Architectural	_____	_____	_____	_____

4. Does your neighborhood have facilities of city-wide significance for meeting the special housing requirements of: (mark with X)

Low-income groups	_____
The elderly	_____
The physically handicapped	_____
Temporarily displaced	_____

Exhibit A-1 (Cont'd)

DRAFT NEIGHBORHOOD EVALUATION SURVEY

Part C: City- or Area-Wide Significance (Cont'd)

5. Does your neighborhood have areas which are opportunities for major industrial or commercial facilities of city-wide significance? (mark with X)

Yes
No

Program District _____

Neighborhood _____

Organization _____

Proposal Title _____

Exhibit A-2

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

This questionnaire will help the Community Development Agency, Citizens' Advisory Committee, Community Development Commission, and Board of Aldermen evaluate project and program proposals for funding through Year V of St. Louis's Community Development Block Grant Program. The questionnaire, together with your proposal's *technical* and *management and budget* sections and independent analyses by CDA staff, will assist in setting priorities among all proposals on a city-wide basis, according to how well the proposed projects and programs effectively and efficiently address the neighborhood and city-wide needs and priorities identified in St. Louis's Housing Strategy and other documents, and the earlier Neighborhood Evaluation Survey.

This questionnaire requires completion of four aspects of proposal suitability:

- I. Mandatory Conditions which must be met before a proposal can be funded;
- II. Priority-Setting Issues:
 - A. *Meeting Needs*, concerning how well the proposal meets the physical, economic, and social needs of the neighborhood;
 - B. *Organizational Capability*, Concerning whether the proposal is consistent with the resources, skills, and experience possessed by or available to the neighborhood's organizations;
 - C. *City-wide Significance*, concerning whether the proposal addresses issues and needs of special significance at a city-wide scale.

Please complete all questions.

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

I. MANDATORY CONDITIONS

	<u>Yes</u>	<u>No</u>	<u>Not</u> <u>Applicable</u>
1. Does the applicant have legal authority to undertake the proposed project or program? (mark with X)	_____	_____	_____
2. Is this proposal eligible for funding under CDBG regulations?	_____	_____	_____
3. Is this proposal an eligible program type, as defined by CDA, for your neighborhood?	_____	_____	_____
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

4. Are any required matching funds available and committed to the proposal?	_____	_____	_____
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

5. Are any facilities and buildings needed for this program or project already under applicant's control?	_____	_____	_____
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

I. MANDATORY CONDITIONS (Cont'd)

	<u>Yes</u>	<u>No</u>	<u>Not Applicable</u>
6. Is land required for this program or project already under applicant's control?	_____	_____	_____
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

7. Has this proposal been approved by all individuals or organizations who will be implementing the project or program?	_____	_____	_____
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

8. Can this program or project be completed with CD resources from only one budget year?	_____	_____	
If not, <i>concisely</i> explain why this proposal nevertheless warrants CDBG funding: _____			

I certify that, to the best of my knowledge and ability, the above answers are a true and complete representation of the status of this proposal.

I further certify that I am a duly authorized representative of the below-named organization.

Representing

(Name)

(Organization)

(Date)

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

II. PRIORITY-SETTING ISSUES

Part A: Meeting Needs

1. Please rank, in descending order, the most significant housing-related problems in your neighborhood *which this proposal addresses*. Use "1" to indicate your highest priority and list as many problems as you feel necessary, or as the proposal addresses.

Priority Additional Information You May Wish to Provide

Poor condition of occupied buildings	_____
Vacant and unboarded buildings	_____
Vacant lots	_____
Rats and rodents	_____
Garbage	_____
Conflicts between residential and other land-uses	_____
Poor condition of streets	_____
Poor condition of parks and communal facilities	_____
Lack of open space	_____
Poor condition of schools	_____
Bad police and fire service	_____
Poor medical facilities	_____
Poor visual appearance	_____
Insufficient shopping facilities	_____
Poor physical condition of shopping areas	_____
Poor perception of neighborhood by remainder of city	_____
Lack of commitment to neighborhood by residents	_____
Lack of technical skills within neighborhood to undertake revitalization activities	_____

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

II. PRIORITY-SETTING ISSUES (Cont'd)

Part A: Meeting Needs (Cont'd)

	<u>Priority</u>	<u>Additional Information You May Wish to Provide</u>
Lack of employment opportunities	_____	
Lack of private rehabilitation	_____	
Lack of private new construction	_____	
Lack of land available for new construction	_____	
Lack of private maintenance	_____	
Public housing	_____	
Inability of residents to obtain finance or insurance to buy or improve homes	_____	
Inability of residents to afford good (standard) housing	_____	
Insufficient standard housing to meet needs of residents	_____	
Insufficient special-purpose housing:		
for elderly	_____	
for large families	_____	
for low-income groups	_____	
for dislocatees	_____	
Other (please describe)	_____	

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

II. PRIORITY-SETTING ISSUES (Cont'd)

Part A: Meeting Needs (Cont'd)

2. *Concisely* describe, on this and any other necessary sheets, the ways in which your proposal addresses the 10 problems with highest priority. If your proposal addresses fewer than 10 problems, explain why it nevertheless warrants CDBG funding.

NOTE: Your area's Neighborhood Evaluation Survey will provide a useful guide to format for describing what problems your proposal will address, and how they will be addressed.

3. *Concisely* describe the proposal's harmful effects (if any) on any of the problems listed in No. 1 above:

Exhibit A-2 (Cont'd)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

II. PRIORITY-SETTING ISSUES (Cont'd)

Part B: Organizational Capability

1. Will this proposed program or project involve local residents in the program or project? (mark with X)

Yes _____

No _____

If yes, *concisely* describe how many, to what extent, and in what roles.
If no, *concisely* explain why this proposal nevertheless deserves CDBG funding: _____

2. Will this proposed program or project use existing organizational capabilities and experience? (mark with X)

Yes _____

No _____

If yes, *concisely* describe how and to what extent.
If no, *concisely* explain why this proposal nevertheless deserves CDBG funding: _____

3. The following skills and capabilities are some of those which are vital to the health of a successful neighborhood organization. Does your organization possess them, or have them available through other means, for use in this program or project? (mark with X)

	<u>Possess</u>	<u>Available as Needed</u>	<u>Not Available</u>	<u>Briefly Describe</u>
Legal	_____	_____	_____	_____
Accounting and management	_____	_____	_____	_____
Fund-raising	_____	_____	_____	_____
Neighborhood planning	_____	_____	_____	_____
Economic development	_____	_____	_____	_____

(Add extra information on separate sheets as necessary)

DRAFT PROPOSAL EVALUATION QUESTIONNAIRE

II. PRIORITY-SETTING ISSUES (Cont'd)

Part B: Organizational Capability (Cont'd)

4. Will this program or project further build your organization's capability to efficiently and effectively undertake further community development and revitalization activities in your neighborhood? (mark with X)

Yes _____

No _____

If yes, *concisely* describe how.

If no, *concisely* explain why this proposal nevertheless deserves CDBG funding: _____
